

Minnesota Volunteer Fire Relief Association
Working Group Meeting

State Auditor's Office
Thursday, December 1, 2005
11 a.m. to 1 p.m.

- I. Call to Order**
Rotating Chair Tom Nelson.
- II. Review and Approval of Working Group Meeting Minutes**
Exhibit A. Draft November 17, 2005 Minutes
Exhibit B. Draft December 13, 2004 Minutes
- III. FA-1 Reporting Form**
Dave Ganfield to report.
Exhibit C. FA-1 Reporting Form Recommendations
- IV. Relief Association Officer Salaries**
Larry Martin to report.
Exhibit D. 1993 – 2003 Salaries as Administrative Expenses
- V. Reporting Form Filing Status**
Exhibits E through H.
- Pension Reporting Entities
 - State Fire Aid Certification History
 - 2005 Second Round Certification Summary
 - Late Filing Fire Relief Association List
- VI. Service Pension and Ancillary Benefit Issues**
Exhibit I. Draft Relevant Relief Association Statutes
- Leaves of Absence/Applicable Benefit Level Amounts
 - Forfeiture Distributions to DCP Members
 - Disability Benefit Status Reversals
 - Funeral Benefits
- VII. Other Business**
- VIII. Next Meeting**
Thursday, December 15, 2005
11 a.m. to 1 p.m.
State Auditor's Office

Volunteer Fire Relief Association Working Group

State Auditor's Office
Thursday, November 17, 2005
11 a.m. to 1 p.m.

Members Present

Delano City Administrator Phil Kern, Legislative Commission on Pensions and Retirement Director Larry Martin, Mahnommen Fire Relief Association Treasurer Dave Jaeger (defined benefit lump sum plans), Maple Grove Fire Relief Association President Curt Roberts (defined contribution plans), Maplewood Fire Relief Association Treasurer Ed Dietz (defined benefit lump sum plans), Minnesota Area Relief Association Coalition Representative Jim Hansen, Minnesota State Fire Chiefs Association Representative Nyle Zikmund (defined benefit monthly plans), Minnesota State Fire Department Association Representative Dave Ganfield (defined benefit monthly/lump sum combination plans), Northfield Fire Relief Association Secretary Tom Nelson, State Auditor Patricia Anderson and White Bear Lake Finance Director Don Rambow.

Member Excused

League of Minnesota Cities Representative Anne Finn.

Others Present

Pension Director Judith Strobel and Pension Analysts Rose Hennessy Allen, Brian Martenson and Paul Rosen.

Rotating Chair Jaeger called the meeting to order and thanked Auditor Anderson for her willingness to continue the Working Group process.

Working Group Process Discussion

Jaeger outlined the proposed meeting schedule in Exhibit A. The members were amenable to the schedule although Jaeger, Zikmund and Hansen said they would be unable to attend the Thursday, December 15, 2005 meeting. They offered to keep up with the agenda items via emails and minutes. No changes were made to the Working Group Purpose Statement or the Working Group Membership List.

The members did discuss the definition of consensus for purposes of a possible Working Group proposal. Some said items should continue to require full approval while others argued that a two-thirds majority vote should be sufficient to permit an item to move forward. Martin proposed discussing all items but placing those with full consensus in one bill and those without full consensus in a second bill. The members agreed.

Recently Enacted Relief Association Laws

Martin recapped relief association legislation enacted during the 2005 Special Session. He referred the members to the summary in Exhibit E that was prepared by Ed Burek, Deputy Director of the Pension Commission.

Martin also referenced special legislation that allows the transfer of assets between the Maplewood and Oakdale fire relief associations and the consolidation of several other relief associations at their prior service levels to preclude the transfer of additional funds upon consolidation. Dietz said the Maplewood/Oakdale legislation would simplify the bookkeeping of both relief associations.

Ganfield asked whether the board governance change for ex-officio trustees would require all relief associations to change their bylaws. Martin said it would depend on the specificity of the bylaws. Ganfield said his relief association's bylaws reference the statute and spell out who the ex-officio trustees must be. To minimize any compliance issues, the State Auditor's Office will continue to notify relief associations of the law changes and assist those who may be affected. Many may not require a bylaw change because they can keep the mayor and clerk, clerk-treasurer or finance director as the municipal representatives on the relief association board.

Auditor Anderson said the Working Group may wish to clarify who the appointed official is and whether the term means anyone who is appointed by the city or only an appointed official. Rambow said he hoped the intent was to have someone appointed by the elected body because some cities only have one appointed official – the city manager. Martin said the intent of the change was to expand the pool of authorized ex-officio trustees.

Auditor Anderson suggested the non-elected trustee be someone who works for the city. Ganfield additionally suggested that the trustee be a department head. Roberts recommended letting the language run its course and see what happens. The group decided to take up the subject again at a later Working Group meeting.

Officer Positions, Duties and Salaries

The members discussed whether vice presidents should be authorized to receive a salary from the special fund. Jaeger said in smaller departments some vice presidents have many duties. Martin said in 1978 the state legislature defined what could be paid from the special fund and vice presidents were not used much prior to that time. He said that he has no position on who is paid from the special fund, but believes there should be legislation governing what can be paid from the special fund.

Martin then referred the Working Group members to Minn. Stat. § 424A.04 that specifies relief associations must have at least a president, secretary and treasurer. With the statutory authority to have a vice president, he said the statute does not authorize payment from the special fund. Martin said that he would review data from the State Auditor's Office to see the prevalence, frequency and magnitude of salary payments and report back to the Working Group.

Roberts asked if a law change would affect the large pension plans. Martin said current law covers the Minneapolis Fire Relief Association as well as small relief associations. Jaeger said board officers of small relief associations don't usually get paid. Rambow said if members are elected to a relief association board they must meet their responsibility whether paid or unpaid and suggested that it's a stretch to say four paid relief association officers are needed. Martin said if a plan relies solely on state fire aid, the aid is diminished to support benefits for all members if salaries are paid. If state aid doesn't cover the plan's financial requirements, then the city pays for salaries through its contributions.

Ganfield inquired whether board duties could be delegated to consultants or administrators. Martin said, in general, relief associations are able to hire help for clerical and administrative duties. By contrast, he cautioned against hiring consultants with a blanket delegation to select investments, sign off on financial statements or make major decisions. He said delegation should only include ministerial duties. Ganfield said state law permits reimbursement from the special fund to officers or their designees. Zikmund said this provision hasn't been interpreted to be labor. Martin advised against reimbursements without creation of an administrative position.

The group then broke for lunch.

State Fire Aid Reporting

Zikmund said seven relief associations lost some or all of their state fire aid last year by not completing and submitting the FA-1 form to the Department of Revenue. He proposed using the Minnesota Fire Incident Reporting System (MFIRS) as an alternative to reduce state fire aid reporting requirements and better measure fire department readiness. It was stated that 59 fire departments did not use MFIRS in 2003 compared to 72 fire departments in 2002. Thirty-three fire departments didn't report in either year.

Jaeger said if small towns have no fires, there is no need to file an incident report. Rambow said if cities don't complete and file the FA-1 form and the relief association loses its state fire aid, they must still make their minimum financial requirement. Martin said his concern is that the minimum requirements for fire departments have not been updated since 1969. He said the purpose of the requirements was to get better fire departments by having the minimum requirements stated in law. The Zikmund motion to permit relief associations to file either an FA-1 form or complete MFIRS reporting to meet the minimum requirements for state fire aid was approved unanimously.

At Jaeger's request, Ganfield volunteered to suggest updates to the fire department requirements before the next meeting.

Fire Relief Association Working Group
November 17, 2005 Minutes
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FRPAS Presentation

Martenson provided an overview of FRPAS, the State Auditor's Fire Relief Pension Accounting System that will soon be available free to relief associations. The system promotes best accounting/budgeting practices, automatically completes reporting forms and conveniently tracks relief association data.

Next Meeting

The next meeting of the Working Group is set for Thursday, December 1, 2005 from 11 a.m. to 1 p.m. in the State Auditor's Office. The meeting was adjourned at 1:15 p.m.

Volunteer Fire Relief Association Working Group

State Auditor's Office

Monday, December 13, 2004

11 a.m. to 1 p.m.

Members Present

Delano City Administrator Phil Kern, League of Minnesota Cities Representative Anne Finn, Legislative Commission on Pensions and Retirement Director Larry Martin, Mahnommen Fire Relief Association Treasurer Dave Jaeger (defined benefit lump sum plans), Maple Grove Fire Relief Association President Curt Roberts (defined contribution plans), Maplewood Fire Relief Association Treasurer Ed Dietz (defined benefit lump sum plans), Minnesota Area Relief Association Coalition Representative Jim Hansen, Minnesota State Fire Chief Association Representative Nyle Zikmund (defined benefit monthly plans), Minnesota State Fire Department Association Representative Dave Ganfield (defined benefit monthly/lump sum combination plans), Northfield Fire Relief Association Secretary Tom Nelson (defined benefit lump sum plans), State Auditor Patricia Anderson and White Bear Lake Finance Director Don Rambow.

Others Present

Brooklyn Park Fire Relief Association Secretary Andy Hansen, State Auditor's Office Assistant General Counsel Dave Kenney, Pension Director Judith Strobel and Pension Analysts Rose Hennessy Allen, Eric Bulygo, Jami Crummy, Brian Martenson and Paul Rosen.

Welcome and Introductions

Rotating Chair Rambow welcomed the Working Group members and asked that they introduce themselves to the audience.

December 6, 2004 Draft Minutes

Rambow gave the members some additional time to review the draft minutes of the December 6, 2004 Working Group meeting that had been provided before the meeting. Ganfield moved to approve the draft minutes with a second from Hansen. The motion passed unanimously. Ganfield then suggested that the Working Group begin with the items left to be discussed from the December 6, 2004 meeting.

Limiting Monthly Plan Disability Benefits to Age 50

Hansen moved with a second from Ganfield to approve the disability language as drafted by Martin. Zikmund recommended addressing only that language that would permit monthly plans to wait to start paying disability benefits until a member reaches age 50. Zikmund said monthly plans need the age 50 limitation more than lump sum plans because they have greater financial exposure. Ganfield said the item likely lacks consensus and should be discussed with volunteer firefighters before being brought back to the Working Group next year. He moved to table the language with a second by Jaeger. The motion passed with Zikmund dissenting.

Deferred Interest for Defined Benefit Lump Sum Plans

At Rambow's request, Martin described language that he drafted to capture the Working Group's intent to replace the straight five percent interest option with a more flexible up to five percent interest option. The newly proposed option would need to be approved by the relief association board of trustees and the municipality. Ganfield asked whether relief associations that choose a straight five percent must amend their bylaws if the draft language is enacted into law. Martin said no as long as the bylaw amendment had been approved by the city.

The interest calculations for the proposed option would begin on the first of the month following separation until the last day of the month before a properly made retirement application. Auditor Anderson observed that the language is common in other public pension plans. Rambow said it would provide some certainty for members when deciding when to retire. Ganfield questioned whether the calculation method would apply to all deferred interest options under state law or only the proposed option. Martin said it would apply only to the proposed option to avoid complicated interest calculations caused by daily interest. Nelson moved to accept the language with a second from Hansen. The amended motion was adopted by the full Working Group.

Deferred Interest for Defined Contribution Plans

Martin recapped the draft language in LCPR04-296 that would permit defined contribution plans to pay full gains and losses to deferred members without establishing a separate account or vehicle from active members. Roberts moved the modification with a second by Hansen. It was approved unanimously.

Board of Trustee Composition

Martin presented draft language in LCPR04-284 that would expand the pool of who can serve as ex-officio trustees in addition to the fire chief. The positions of mayor and clerk, clerk-treasurer or finance director, would be replaced with two representatives designated by the governing board of the municipality. The language would provide one-year terms of office and clarify the board composition for relief associations affiliated with joint powers and independent fire departments.

Zikmund moved the draft language saying any change that would encourage better participation of city trustees, whether elected or appointed, would be an improvement. He also recommended a nine-person board for relief associations associated with a nonprofit firefighting corporation. Ganfield said he would prefer requiring a mayor or city council member as one of the ex-officio trustees rather than having two appointed positions. Jaeger said there should be one elected and one appointed position with two-year terms. Finn agreed with Jaeger stating at least one elected official will create the accountability the League of Minnesota Cities is seeking and city councils will take their appointment responsibility seriously.

Nelson proposed an amendment to require at least one elected position to avoid two appointed positions. Rambow said he sees no reason to limit the term of an appointed person because cities make appointments each year and it's their duty to make sure there is adequate representation on relief association boards. Dietz said the fire chief must remain an ex-officio position because it is the link to the administration. Zikmund seconded the amended motion that was approved without dissent.

Process for Proposed Legislation

Auditor Anderson said she and her staff are willing to bring the Working Group's recommendations to the state legislature and encouraged all members to attend the hearings. She also offered to put the Working Group's proposal on her office's website. Zikmund suggested asking State Senator Don Betzold (D-Fridley) and State Rep. Steve Smith (R-Mound) to author the proposal. Auditor Anderson said she would be willing to meet with the state lawmakers about the bill. Those wishing to attend the meetings were encouraged to contact the State Auditor's Office or Zikmund.

Finn asked whether the Working Group should anticipate any opposition to the proposal. Ganfield said no because most stakeholders are represented on the Working Group. Zikmund said there may not be opposition but there may be questions from those who would need a full audit rather than an attestation if the proposal is enacted into state law. Martin said he would draft a bill and send to the State Auditor's Office for review. Ganfield expressed interest in keeping the same Working Group next year. The members then broke for lunch.

Experience Loss Amortization

Martin said the 1971 Police and Firefighters' Relief Association Guidelines Act does not have a provision to address investment losses -- the primary experience losses for lump sum plans -- because the Act only amortizes unfunded liabilities incurred through benefit increases. He presented draft language to clarify that increases in unfunded actuarial accrued liabilities from experience losses are to be amortized over a period of 10 years for lump sum plans and five years for monthly plans. The 10-year amortization for lump sum plans being used now contrasts with the industry standard of five years, he said. It's a policy issue whether it's okay to have different periods for different plan types and 10 years makes sense administratively for small lump sum plans.

The draft language also would broaden the past practice of using the prior year's state fire aid amount when projecting state fire aid. It would give greater grace by permitting relief associations to add up to 3.5 percent to the previous year's aid amount, according to Martin. He then referred the Working Group members to a study on state aid amounts over time in the agenda packets. While state fire aid tends to increase, it does decrease from time to time, he said.

Rambow said a five-year amortization period seems aggressive for monthly plans and puts pressure on cities to make up losses over short period of time. He said 10 years is more rational from a taxpayer's point of view because it would avoid big financial swings. Martin said amortizing any losses would have potential to increase city contributions. Rambow moved the 10-year amortization period for both monthly and lump sum plans. Zikmund seconded the motion that received full member agreement.

State Fire Aid Certification Requirements

Martin explained the draft language in LCPR04-279 that clarifies the state fire aid certification requirements for relief associations by putting them in an easy-to-read summary. The summary lists what the legislature believes are appropriate standards as codified in current law. Ganfield recommended tabling the motion or pushing back its proposed effective date saying many relief associations still may be working on coming into compliance. It was stated that only three relief associations forfeited their 2004 state fire aid and the compliance reason was failure to file their reporting forms by the November 30 deadline. Martin said the compliance requirements have been in state law since 1971.

Auditor Anderson asked why it would make sense to hold off the effective date if the requirements are already in state law. Zikmund said the state law requiring forfeiture penalty is not good public policy because a large plan would lose much more state fire aid than a small plan. He recommended moving back the effective date and capping future forfeitures at \$50,000. Zikmund said the State Auditor's Office does a lot to notify relief associations.

Martin said forfeiture is a serious penalty that may not fit the infraction. He explained that cities are not authorized to contribute to relief associations that do not meet the state fire aid eligibility criteria. Ganfield suggested and subsequently withdrew an idea to change the statutory wording from "retain" to "receive" to not require relief associations to return their state fire aid. Zikmund said high oversight costs could be the result of a few relief associations filing late. He said there should be a penalty for lateness with an effective date one year out to permit training on the topic. Ganfield said if the members wish to wait with the effective date why not wait with the language until next year.

Zikmund withdrew his cap idea and moved to vote on the language as presented. Nelsen seconded with the addition of a cross-reference correction. Finn supported the motion because we have a cooperative State Auditor's Office. Others had expressed concern that future auditors could apply the forfeiture penalty in more than extreme cases. Auditor Anderson said at some point the harshness of the forfeiture penalty should be revisited because her office does a lot of work to bring relief associations into compliance. She said she would consider smaller penalties for lateness.

State Fire Aid Reporting

Zikmund moved, with a second from Nelson, to permit reporting for state fire aid certification purposes through the Minnesota Fire Incident Reporting System (MFIRS) as an alternative to completion of the Department of Revenue FA-1 form. By adding the word “or” to the drafted language MFIRS could be another way to obtain accountability for state fire aid payments. Ganfield said he would prefer to get the MFIRS idea out to the relief associations for feedback because the idea may be controversial.

Zikmund said his experience has shown that if an idea is put in bill form it will get more public discussion. He said he would like to see debate occur and go with what happens because only about 50 fire departments don't use MFIRS. Finn said she is waiting for responses to the MFIRS alternative but the League of Minnesota Cities is not necessarily opposed to the current language. At the same time, she said she could be okay with the MFIRS language since it could be deleted if it's not supported.

Auditor Anderson asked Ganfield whether he opposes the MFIRS alternative or thinks the 2007 effective date is too early. Ganfield said his concern is getting input from the 50 relief associations on why they did not use MFIRS. Auditor Anderson then moved to table the motion until next year. Finn seconded the motion to table that was approved unanimously.

Ganfield then moved Exhibits E through G, exceptions to the 75 percent maximum on mutual fund investments, clarification to investment authority, and a provision permitting up to five years of service credit for military leaves of absence. With clarification of two statutory citations, he moved to pass the three items as presented. Roberts seconded the motion that was approved by all of the members. Exhibit H, a composite of items previously agreed upon by the Working Group, did not receive further discussion.

Relief Association Membership Requirements

Martin said the Roseville Fire Relief Association was seeking clarification under common law trust law rather than pension law to determine whether relief associations must permit paid firefighters to be relief association members. He said the issue has been before the Pension Commission on two or three occasions. In 1978, the Edina Fire Relief Association first tried to get a definition of a volunteer firefighter in state statutes that would have excluded paid firefighters from that definition. There was additional discussion in the Senate in the late 1980s to define the term in a way to exclude paid firefighters from membership and the benefits of a volunteer fire pension plan, he said.

Auditor Anderson said the State Auditor's Office had been asked to enter the action but chose not to do so because relief associations currently may define their own memberships and may restrict the membership of paid firefighters in their individual bylaws.

Dietz said the membership issue should be addressed at the local level in bylaws to meet a relief association's individual needs. Ganfield said Apple Valley is opposed to supporting two pensions for one firefighter. Zikmund said he believes membership in two plans is clearly allowed under state statutes. Finn said she would check to see if the League has a position on membership. Rambow said the issue is beyond the scope of the Working Group and moved the discussion to the next agenda item.

Consolidation of State Auditor Reports

The members were asked to review the 2002 Compilation Report and 2002 Investment Disclosure Report to provide future feedback to the State Auditor's Office. The State Auditor is interested in consolidating the two separate reports to create a single resource on volunteer fire relief associations. Members also learned that the 2004 annual reporting forms would be sent to relief associations on a CD in January, 2005. Paper forms will be provided upon request to those that need them.

There being no other business, Ganfield expressed appreciation to the State Auditor for the successful process of the Working Group. The meeting was adjourned without a formal motion.

FA-1 Improvements

(By Dave Ganfield)

At the last meeting we discussed improvements to FA-1. I would offer the following:

1. Has your fire department existed for at least one year prior to December 31, 200x?
2. Does your fire department have at least 10 active firefighters including a fire chief and assistant fire chief?
3. Does your fire department hold regular scheduled meetings and frequent drills including instructions in fire fighting tactics and in the use, care, and operation of all fire apparatus and equipment?
4. Does your fire department have at least one fire apparatus equipped with a motorized pump and a minimum of the following equipment:
 - A 250 gallon or larger water tank,
 - 300 feet of 1-1/2 inch or larger fire hose with combination spray and straight stream nozzles,
 - five-gallon hand pumps or equivalent,
 - dry chemical extinguisher or equivalent,
 - roof ladders and extension ladders, and
 - Firefighting equipment including pike poles, axes, and lanterns?
5. Does your fire department have Personal Protective Equipment for all firefighters including fire coats, helmets, gloves and boots?
6. Does your fire department have apparatus suitably housed in a building of good construction with facilities for care of hose and equipment?
7. Does your fire department have a reliable and adequate method of receiving fire alarms by telephone or with electric siren and suitable means of sounding an alarm?
8. If response is to be provided outside the corporate limits of the municipality wherein the fire department is located, does the fire department have another piece of motorized apparatus to make the response within the corporate limits?

**Volunteer Firefighter Relief Associations
Payment of Salaries as Administrative Expenses
1993-2003**

<u>Year</u>	<u>Number Paying Salaries</u>	<u>Median Salary Amount</u>	<u>Salary Range (High/Low)</u>	<u>Number With/Without Municipal Contributions</u>
2003	293	\$820	\$21,375 - \$10	223 With/70 Without
2002	283	\$800	\$21,500 - \$5	211 With/72 Without
2001	288	\$825	\$21-500 - \$50	199 With/89 Without
2000	282	\$900	\$21,500 - \$5	187 With/95 Without
1999	272	\$800	\$19,992 - \$5	189 With/83 Without
1998	281	\$800	\$33,864 - \$25	187 With/94 Without
1997	277	\$750	\$21,500 - \$25	189 With/88 Without
1996	267	\$650	\$21,500 - \$10	185 With/82 Without
1995	266	\$575	\$21,500 - \$25	184 With/82 Without
1994	262	\$575	\$21,140 - \$25	181 With/81 Without
1993	260	\$568	\$20,500 - \$25	177 With/83 Without

Lawrence A. Martin
Legislative Commission on
Pensions and Retirement
11/29/2005

ASSOC NA	1999		2000		2001		2002		2003	
	SALARIES	MUNC CON	SALARIES	MUNC CON	SALARIES	MUNC CON	SALARIES	MUNC CON	SALARIES	MUNC CON
ADA	125	0	125	0	125	0	0	0	125	0
ADAMS	150	0	0	0	0	0	0	0	146	0
ADRIAN	0	4969	0	4767	0	7835	0	8790	0	9144
AITKIN	0	10000	0	10000	0	10000	0	10000	0	10000
ALASKA TOWNSHIP	0	0	0	0	0	0	0	0	0	0
ALBANY	270	10000	270	10000	270	10000	270	11250	270	12500
ALBERT LEA TOWN	0	15800	0	16600	0	16150	0	23839	0	26565
ALBERTVILLE	0	2493	0	2493	0	700	0	0	0	0
ALBORN	0	1000	0	500	0	500	0	500	0	500
ALDEN	200	1146	200	0	400	4800	400	4800	400	5508
ALEXANDRIA	0	45002	0	79185	0	71828	0	71819	0	105214
ALMELUND	300	0	550	1200	550	1200	600	1200	550	0
ALPHA	0	0	0	0	0	0	0	0	0	0
ALTURA	0	0	0	0	0	0	0	0	0	0
AMBOY	0	0	0	0	0	0	0	0	0	0
ANDOVER	0	38400	0	40000	0	41650	0	43750	0	42500
ANNANDALE	300	3000	300	3000	300	3000	300	3000	300	3000
ANOKA-CHAMPLIN	2500	25	3100	0	3000	0	0	0	6000	0
APPLE VALLEY	9803	122557	10324	128542	10348	132498	11503	138127	10136	157755
APPLETON	200	0	150	0	150	0	150	0	0	0
ARGYLE	0	0	0	0	0	0	0	0	0	0
ARLINGTON	500	4300	500	2600	500	2900	500	2800	500	2900
ASHBY	0	0	0	3000	0	4667	0	4000	0	3000
ASKOV	0	500	0	0	0	0	0	0	0	0
ATWATER	0	0	0	0	0	0	0	0	0	1595
AUDUBON	0	0	0	0	0	0	0	0	0	0
AURORA	2200	2919	2200	300	2200	300	2100	7923	2300	21275
AUSTIN	978	0	978	0	978	0	900	0	900	0
AVON	699	0	869	0	772	0	1106	9423	948	22500
BABBITT	1800	3120	1497	360	1497	6720	1194	4823	1188	5500
BACKUS	0	7500	0	7500	0	7500	0	20298	0	0
BADGER	0	0	0	0	0	0	0	0	0	3139
BAGLEY	0	5273	0	3160	0	3222	0	3251	0	4712
BALATON	575	0	575	0	650	0	754	0	700	0
BALSAM	0	7000	0	7000	0	8000	0	9000	0	12136
BARNESVILLE	1040	4225	1040	5225	1040	6225	1040	18476	1440	0
BARNUM	0	0	0	0	0	0	300	0	300	1131
BARRETT	0	0	0	0	0	0	0	0	0	0
BATTLE LAKE	500	0	1000	0	1000	0	1000	0	1200	0

ASSOC NA	1999		2000		2001		2002		2003	
	SALARIES	MUNC CON	SALARIES	MUNC CON	SALARIES	MUNC CON	SALARIES	MUNC CON	SALARIES	MUNC CON
BAUDETTE	0	0	0	0	0	0	0	0	0	2919
BAYPORT	600	0	600	0	600	0	1000	0	2200	6595
BEARDSLEY	0	444	0	239	0	340	0	2081	0	402
BEAVER BAY	0	1748	200	544	200	2636	0	5019	200	0
BEAVER CREEK	0	1000	0	64	0	1000	0	1012	0	888
BECKER	0	4500	0	4500	0	4500	0	4500	0	4500
BELGRADE	0	3000	0	3000	0	3000	0	3000	0	4000
BELLE PLAINE	600	0	600	0	0	3172	600	6172	600	12646
BELLINGHAM	0	0	0	0	250	500	250	500	325	0
BELVIEW	0	200	0	153	0	1960	0	3226	0	1388
BEMIDJI PIONEER	1939	3062	2550	47	3000	4865	3000	10408	3000	48130
BENSON	500	11583	900	0	100	923	500	7227	699	3232
BERTHA	0	0	0	0	0	1137	0	1175	0	1301
BETHEL	0	0	0	0	0	0	0	0	0	0
BIG LAKE	0	6000	0	6000	0	6000	0	6000	0	6000
BIGELOW	0	0	0	0	0	0	0	0	0	0
BIGFORK	0	7000	0	5000	0	5000	0	5000	0	10000
BIRD ISLAND	0	1875	0	1875	0	1875	0	1875	0	3750
BIWABIK CITY	90	10000	90	10000	1540	10000	740	10000	1140	10000
BIWABIK TOWNSHIP	0	1000	0	1000	0	1000	0	1000	0	1207
BLACKDUCK	0	0	0	0	0	3313	0	5223	0	2000
BLACKHOOF	150	0	150	0	150	670	150	617	150	1665
BLOMKEST	0	1500	0	1500	0	1500	250	2340	0	4224
BLOOMING PRAIRIE	0	3346	0	4014	0	3712	0	0	0	7434
BLUE EARTH	350	12000	250	12000	250	12000	0	12000	0	12000
BLUFFTON	0	0	0	0	0	0	0	0	0	0
BOVEY	325	10000	325	10000	325	10000	325	11707	325	14547
BOWLUS	0	0	0	254	0	500	0	198	0	0
BOYD	0	0	0	0	0	0	0	0	0	0
BRAHAM	600	0	400	0	400	750	300	2394	400	750
BRAINERD	1498	12038	6339	10763	4277	10640	4399	27096	4460	35618
BRANDON	0	8119	0	3100	0	5675	0	6125	0	6225
BRECKENRIDGE	1591	4775	2400	0	2400	12138	2392	0		
BREITUNG	1025	6600	1275	12000	1475	10000	1475	11000	1623	18000
BREVATOR	0	1000	0	1000	0	0	0	1000	0	1000
BREWSTER	120	0	120	0	120	0	120	0	0	0
BRICELYN	0	0	0	0	0	0	0	0	0	956
BRIMSON	0	0	0	0	0	0	0	0	0	0
BROOK PARK	0	577	0	0	0	61	0	502	0	1607

ASSOC NA	1999		2000		2001		2002		2003	
	SALARIES	MUNC_CON	SALARIES	MUNC_CON	SALARIES	MUNC_CON	SALARIES	MUNC_CON	SALARIES	MUNC_CON
BROOKLYN CENTER	5840	19559	10200	28020	10200	28360	10400	16239	10800	0
BROOKLYN PARK	3600	27086	5840	19887	9600	22057	8600	21609	10600	22999
BROOTEN	0	0	200	0	200	0	200	0	200	0
BROWERVILLE	0	800	0	800	0	980	0	980	0	622
BROWNS VALLEY	600	39	600	4	600	0	600	2568	600	2823
BROWNSDALE	0	0	0	0	0	0	0	0	0	0
BROWNTON	500	12633	500	14496	500	16920	500	17000	500	24193
BUFFALO	0	0	1000	0	1000	0	1000	0	1000	0
BUFFALO LAKE	0	4000	0	4000	0	2000	0	3499	0	8099
BUHL	0	0	0	1123	0	0	0	118	0	6261
BUTTERFIELD	0	3500	0	3487	0	3627	0	4238	0	3580
BYRON	0	1000	0	1500	0	1500	0	3500	1000	5000
CALEDONIA	0	2400	750	2400	750	2400	750	2400	750	2400
CALLAWAY	0	0	0	0	0	1575	0	0		
CALUMET	480	10000	480	10000	480	10000	480	10000	550	10000
CAMBRIDGE	0	0	0	0	0	0	0	0	0	0
CAMPBELL	0	0	0	0	0	0	0	2141	0	2141
CANBY	965	3000	505	3000	1225	3000	1215	3000	1215	3000
CANNON FALLS	250	0	250	0	250	0	250	0	0	0
CANOSIA	0	0	0	10000	0	5300	0	5500	0	5000
CANTON	0	0	25	0	50	453	50	573	100	1969
CARLOS	0	17600	0	17600	0	17600	0	17600	0	17610
CARLTON	0	4689	0	3982	0	5979	0	6644	0	7837
CARSONVILLE	0	0	0	100	0	0	0	503	0	2252
CARVER	0	12500	0	12500	0	15000	0	23194		
CASS LAKE	400	6859	400	6185	400	7632	500	8541	300	8789
CATARACT	0	50000	0	50000	0	50000	0	55000	0	55000
CENTENNIAL	0	20500	0	21000	0	21500	0	27877	0	28214
CENTER CITY	0	5000	0	5500	0	5500	0	6000	0	6000
CEYLON	100	0	200	0	100	0	100	1500	100	1573
CHANDLER	0	640	0	660	0	0	0	1380	0	750
CHANHASSEN	900	24058	900	17101	900	99315	900	48651	900	12227
CHASKA	2090	113575	2090	113414	2090	134437			2090	124331
CHATFIELD	0	2408	0	1459	0	1459	0	1940	0	3880
CHERRY	0	100	0	100	0	100	0	100	0	300
CHISAGO CITY	850	14677	700	14677	525	14677	500	14677		
CHISHOLM	0	0	0	0	0	0	0	0	0	33844
CHOKIO	0	0	0	0	0	0	0	0	0	0
CLARA CITY	125	0	125	0	0	0	0	1855	0	1196

ASSOC NA	1999		2000		2001		2002		2003	
	SALARIES	MUNC CON	SALARIES	MUNC CON	SALARIES	MUNC CON	SALARIES	MUNC CON	SALARIES	MUNC CON
DALTON	80	2512	90	30	90	1444	90	1392	90	0
DANUBE	0	0	0	0	0	1129	0	1399	0	897
DANVERS	75	0	75	0	75	0	75	0	75	0
DARFUR	0	0	0	0	0	0	0	0	0	0
DASSEL	850	20690	850	18669	850	23274	850	25893	1175	35121
DAWSON	0	0	0	10000	0	7255	0	17622	0	25079
DAYTON	720	6000	720	6000	720	6000	720	9000	720	9000
DEER CREEK	0	2006	0	921	0	4231	50	17500	100	12377
DEER RIVER	700	1391	700	0	700	0	700	5000	700	5000
DEERWOOD	0	0	0	0	0	0	0	0	0	600
DELANO	0	12535	0	32975	0	22500	0	29873	0	28364
DELAVAN	0	1600	0	1600	0	1600	0	1600	0	7905
DENT	0	0	0	0	0	0	0	0	0	0
DETROIT LAKES	125	9925	225	6407	225	17330	225	8038	225	8043
DEXTER	500	0	600	7000	600	5900	800	5800	820	5250
DILWORTH	0	5000	0	5250	0	5500	0	5750	0	0
DODGE CENTER	0	14283	0	8120	0	12595	0	21858	0	20639
DONNELLY	0	0	0	0	0	0	0	1000	0	500
DOVER	350	5074	350	3036	350	5095	100	0	1050	0
DUMONT	80	0	100	0	100	0			100	0
DUNNELL	0	0	0	0	0	0	0	0		
EAGAN	6432	178676	6300	153031	7200	148049	7200	140341	7200	84566
EAGLE BEND	0	4903	0	5460	0	5873	0	5856	0	6485
EAGLE LAKE	0	15620	0	21738	0	19601	0	19747	0	16276
EAST BETHEL	0	3000	0	3500	0	4100	0	4100	0	4100
EAST GRAND FORKS	575	0	575	0	600	0	600	0	600	0
EASTERN HUBBARD CNTY	0	0	0	3500	0	4000	0	4000	0	4054
EASTON	0	1000	0	1000	0	1000	0	2218	0	1869
ECHO	0	950	0	950	0	950	0	950	0	950
EDEN PRAIRIE	0	0	4500	307800	4500	299292	0	272504	4500	262696
EDEN VALLEY	500	3500	400	3500	600	3500	500	3500	500	10549
EDGERTON	0	4055	0	4193	0	3919	0	4311	0	5185
EDINA	19992	0	21500	0	21500	0	21500	0	21375	0
EITZEN	0	605	0	1000	0	1604	0	3070	0	2855
ELBOW LAKE	0	2000	0	2000	0	2000	0	0	0	2000
ELBOW-TULABY	0	0	0	0	0	0	0	2000	0	0
ELGIN	75	0	75	0	75	0	75	0	150	0
ELIZABETH	5	700	5	0	0	2000	5	2000	10	2000
ELK RIVER	2215	21350	1770	22000	1830	22650	1905	23400	1985	24100

ASSOC NA	1999		2000		2001		2002		2003	
	SALARIES	MUNC CON	SALARIES	MUNC CON	SALARIES	MUNC CON	SALARIES	MUNC CON	SALARIES	MUNC CON
ELLENDALE	0	3000	0	3000	0	0	0	6000	0	3000
ELLSBURG	0	3005	0	3000	0	3000	0	3000	0	0
ELLSWORTH	0	0	0	0	0	0	0	0	0	0
ELMER	0	0	0	0	0	0	0	0	0	0
ELMORE	0	600	0	475	0	1650	0	500	0	1750
ELROSA	200	4000	200	5000	100	3500	300	5000	200	7000
ELY	959	0	959	0	959	0	959	0	720	0
ELYSIAN	0	6812	0	4625	0	4128	0	4953	0	3600
EMBARRASS	0	0	0	0	0	4920	0	0		
EMILY	0	0	0	0	0	0	0	0	0	3954
EMMONS	0	0	0	0	0	0	0	0	0	0
ERSKINE	0	2000	0	2000	0	2000	0	2000	0	2000
EVANSVILLE	120	15	120	0	300	2500	300	0	300	5000
EVELETH	0	3821	0	0	0	7860	0	7699		
EXCELSIOR	3000	0	4125	0	4500	0	4500	15000	4500	40671
EYOTA	0	1700	0	1700	0	1800	0	2000	0	1800
FAIRFAX	300	4589	300	4701	300	4445	300	4885	500	5796
FAIRMONT	4350	22730	4350	22730	4786	20205	5770	43554	5820	22730
FALCON HEIGHTS	600	0	840	0	480	0	5770	43554	360	0
FAYAL	0	10500	0	10500	0	10500	0	0	0	17205
FEDERAL DAM	0	0	0	0	0	0	0	0	0	0
FERGUS FALLS	1150	1700	1150	1700	1150	1700	1150	1700	1150	1619
FERTILE	0	0	0	0	0	0	0	0	0	983
FIFTY LAKES	0	0	0	0	0	0	0	0	0	0
FINLAND	0	0	0	0	0	0	0	0	0	0
FINLAYSON	0	0	0	0	0	0	0	0	0	20
FISHER	0	0	500	0	250	0	250	0	250	0
FLENSBURG	0	0	0	0	0	0	0	0	0	0
FLOODWOOD	100	9500	200	9500	200	18106	200	9500	300	9500
FOLEY	0	3500	0	3500	0	3500	0	5000	0	5000
FORADA	0	4051	0	2487	0	3914	0	6350	0	5930
FOREST LAKE	400	6000	400	3000	400	6000	400	14675	400	42943
FORESTON	0	2000	0	2000	0	2000	0	2000	0	5000
FOSSTON	275	2000	275	1000	275	2000	275	1000	275	3000
FOUNTAIN	0	0	0	0	0	0	0	0	0	78
FRANKLIN	550	6425	550	6586	550	6532	650	5636	650	6384
FRAZEE	950	2760	950	2640	950	2640	950	6000	1050	3375
FREDENBERG	0	1000	0	1000	0	1000	0	1000	0	0
FREEPORT	0	2443	0	1530	0	1575	0	1625	488	1671

ASSOC NA	1999		2000		2001		2002		2003	
	SALARIES	MUNC CON	SALARIES	MUNC CON	SALARIES	MUNC CON	SALARIES	MUNC CON	SALARIES	MUNC CON
FRENCH TOWNSHIP	0	969	0	1767	0	1835	0	2955	0	3274
FRIDLEY	0	0	0	0	6500	0	6825	0	6875	0
FROST	100	2000	100	0	200	1000	200	1500	200	1779
FULDA	100	4092	200	4000	200	4000	200	4000	400	4000
GARFIELD	0	1500	0	2000	0	2500	0	3250	0	0
GARRISON	0	1515	0	0	0	11000	0	10000	0	16149
GARVIN	0	0	0	0	0	0	0	0	0	0
GARY	0	0	0	0	0	0	0	0	0	0
GAYLORD	1100	2600	1100	2600	1200	2600	1200	8827	1200	23697
GENEVA	0	0	0	0	0	0	0	0	0	0
GHENT	300	0	250	0	250	0	250	0	250	0
GIBBON	200	2265	200	3810	200	3640	400	2500	400	2500
GILBERT	1050	0	1050	0	1050	0	1050	0	1050	1924
GLENCOE	2250	58342	2250	58342	2450	58342	2450	58342	2450	58342
GLENVILLE	0	0	0	0	0	0	0	0	0	0
GLENWOOD	100	8694	100	11349	100	7916	0	3577	100	13253
GLYNDON	0	0	0	0	0	0	0	0	0	0
GNESEN	0	6400	0	6400	0	6400	0	8400	0	6400
GOLDEN VALLEY	5100	0	7575	0	9000	0	7500	79976	8400	79980
GONVICK	0	6054	0	6190	0	3421	0	3456	0	3526
GOOD THUNDER	600	5400	600	5200	600	0	600	28374	600	8877
GOODHUE	0	0	0	0	0	0	0	0	0	0
GOODLAND	0	0	0	2000	0	2000	0	2408	0	1387
GOODVIEW	0	3500	0	3244	0	10500	0	5800	0	0
GRACEVILLE	375	2500	375	2500	375	2500	375	2500	375	2500
GRANADA	550	850	600	4000	600	2000	600	0	1200	600
GRAND LAKE	0	4500	0	5000	0	5500	0	6000	0	6500
GRAND MARAIS	0	0	0	0	0	0	0	0	0	0
GRAND MEADOW	200	625	200	2	200	625	200	2764	200	7666
GRAND RAPIDS	0	5000	0	5000	0	0	0	20432	0	85250
GRANITE FALLS	0	4500	0	4500	100	4500	0	4500	0	4500
GREEN ISLE	0	115	0	0	0	0	1425	2500	500	3000
GREENBUSH	0	0	0	0	0	0	0	0	0	0
GREENWOOD	0	8600	300	8600	300	10000	300	16757	300	17824
GREY EAGLE	300	2000	0	2000	1800	2000	1000	2000	1000	2770
GROVE CITY	0	2079	0	0	0	0	0	0	0	1306
GRYGLA	0	0	0	0	0	408	0	503	0	0
GUNFLINT	0	407	0	800	0	0	0	0	0	3500
HACKENSACK	0	11750	0	0	0	24250	0	12500	0	17750

ASSOC NA	1999		2000		2001		2002		2003	
	SALARIES	MUNC CON	SALARIES	MUNC CON	SALARIES	MUNC CON	SALARIES	MUNC CON	SALARIES	MUNC CON
HALLOCK	0	0	0	0	0	0	0	0	0	0
HALSTAD	0	0	0	0	0	0	0	2373	0	0
HAM LAKE	0	0	0	0	0	0	0	0	450	0
HAMBURG	400	19461	450	16784	457	17427	425	32649	425	39771
HAMEL	0	14500	0	14500	0	14500	0	40137	0	64204
HAMPTON	0	0	0	0	0	0	0	0	0	0
HANCOCK	0	0	0	0	0	0	0	0	0	0
HANLEY FALLS	40	200	0	200	0	200	0	200	0	0
HANOVER	0	3000	0	3000	0	3000	0	3000	0	3000
HANSKA	0	100	230	100	0	100	298	1600	0	1500
HARDWICK	0	0	0	0	0	0	0	0	0	0
HARMONY	450	10000	550	5000	550	5000	550	5000	550	5000
HARRIS	0	1500	0	1500	0	1500	300	0	0	2100
HARTLAND	0	0	0	0	0	0	0	0	300	0
HASTINGS	4200	0	3079	0	4321	0	4321	0	4322	8538
HAWLEY	0	5500	0	6600	0	6600	0	6600	0	6600
HAYFIELD	400	5456	400	5301	892	6905	600	6393	600	2827
HAYWARD	0	0	0	9000	0	4500	0	4500	0	4500
HECTOR	0	3800	0	3800	0	3800	0	3800	0	3800
HENDERSON	1000	3315	1100	4683	1100	4662	1200	3158	1200	11573
HENDRICKS	0	2904	0	3879	0	7434	0	5215	0	2871
HENDRUM	0	0	0	0	275	0	275	0	275	0
HENNING	0	4248	0	4363	0	4363	0	4874	0	8151
HERMAN	0	0	0	0	0	0	0	0	0	0
HERMANTOWN	0	50701	0	21786	0	73690	0	55080	0	60000
HERON LAKE	0	1286	0	7739	0	801	0	10628	0	729
HEWITT	0	0	0	0	0	0	0	0	0	0
HIBBING	1100	0	1100	800	1100	0	1100	0	1100	12410
HILL CITY	0	2500	0	1251	0	5000	0	2500	0	2500
HILLS	0	6000	300	3000	300	3000	0	3000	300	3000
HINCKLEY	350	2414	350	1556	700	855	350	3027	350	2454
HITTERDAL	0	650	0	650	0	650	0	650	0	650
HOFFMAN	0	0	0	103	0	5480	0	1240	0	1081
HOKAH	0	0	0	0	0	0	0	0	0	0
HOLDINGFORD	0	3000	0	3000	0	3000	0	3000	0	4000
HOLLAND	0	0	0	0	0	0	0	0	0	0
HOLYOKE	0	0	0	0	0	0	0	0	0	0
HOPKINS	1200	28325	1500	29000	1500	29000	1500	29870	3000	30766
HOUSTON	0	2770	640	5036	400	7094	400	0	400	4919

ASSOC NA	1999		2000		2001		2002		2003	
	SALARIES	MUNC CON	SALARIES	MUNC CON	SALARIES	MUNC CON	SALARIES	MUNC CON	SALARIES	MUNC CON
HOVLAND	0	4000	0	1000	0	2000	0	2000	0	2000
HOWARD LAKE	1100	3991	1100	3116	1100	6966	1100	7863	1100	9516
HOYT LAKES	0	5000	1200	7185	1200	5137	2400	5000	2400	39682
HUGO	0	0	0	0	0	0	0	20519	800	28918
HUTCHINSON	663	25810	869	26400	662	29980	663	27840	850	6290
IDEAL	0	14066	0	10784	0	17200	0	14779	599	22600
INDUSTRIAL	0	3000	0	5000	0	2500	0	6000	0	3000
INTERNATIONAL FALLS	600	0	600	0	600	0	600	0	600	0
INVER GROVE HEIGHTS	6150	15000	6150	15000	6150	18000	8662	18000	3638	20000
IONA	0	0	0	0	0	0	0	0	0	0
IRONTON	120	36	320	0	320	0	300	0		
ISANTI	0	5505	2900	5032	2990	5094	2860	6000	3000	6075
ISLE	0	0	0	0	0	0	0	0	0	0
IVANHOE	300	2000	300	2000	300	4000	300	4000	300	4000
JACKSON	400	3812	400	2055	400	2666	400	7414	400	5901
JACOBSON	0	0	0	500	0	0	0	0	0	0
JANESVILLE	375	6680	375	5803	375	6153	375	11023	0	11023
JASPER	0	2500	0	2500	300	2500	100	2500	100	2500
JEFFERS	0	0	0	0	0	0	0	0	0	0
JORDAN	200	10245	200	6469	200	9633	200	26022	200	33218
KANDIYOHI	240	0	480	9715	480	4102	960	4355	960	4261
KARLSTAD	0	0	0	0	0	0	0	0	0	0
KASOTA	500	4000	500	4000	500	5500	0	7500	450	8000
KASSON	975	0	1125	7417	1125	8	1075	14	1125	0
KEEWATIN	592	7000	592	7000	592	9113	592	16000	592	22480
KELLIHER	0	0	0	0	0	0	0	0	0	0
KELLOGG	800	2000	800	2000	800	2000	600	2381	939	11922
KENNEDY	0	0	0	0	0	0	0	0	0	0
KENSINGTON	0	0	0	0	0	0	0	0	0	0
KENYON	0	3000	0	3000	0	3000	0	3000	0	3000
KERKHOVEN	0	1300	0	1300	0	1303	0	1300	0	1300
KETTLE RIVER	500	4	0	1200	615	0	652	1000	462	0
KIESTER	0	0	0	0	0	0	0	0	0	0
KILKENNY	0	5000	0	5000	0	7000	0	0	0	14000
KIMBALL	0	3616	0	3115	0	3115	0	5000	0	4335
KINNEY	0	0	0	0	0	0	0	0	0	0
LA CRESCENT	600	0	600	0	600	2000	1100	2000	600	2000
LAFAYETTE	0	1500	0	1500	0	1500	0	1500	0	1500
LAKE BENTON	350	1000	350	1000	150	1000	350	1000	350	1000

ASSOC NA	1999		2000		2001		2002		2003	
	SALARIES	MUNC CON	SALARIES	MUNC CON	SALARIES	MUNC CON	SALARIES	MUNC CON	SALARIES	MUNC CON
LAKE BRONSON	125	0	125	0	125	0	125	0	75	0
LAKE CITY	0	9035	0	9019	0	9065	0	11283	0	14316
LAKE CRYSTAL	800	5000	800	5000	800	5000	800	5000	800	5000
LAKE ELMO	1500	0	1500	0	1500	0	1500	15761	1500	22967
LAKE GEORGE	0	0	0	0	0	0	0	0	0	0
LAKE HENRY	0	0	0	186	200	0	200	232	200	1625
LAKE JOHANNA	4600	72590	8600	73790	6000	100390	6000	102652	6000	86682
LAKE KABETOGAMA	100	0	100	0	100	0	200	0	200	0
LAKE LILLIAN	0	0	0	0	0	0	0	0	0	0
LAKE PARK	0	1200	0	1200	0	1800	0	2400	0	2400
LAKE WILSON	0	0	0	400	0	0	0	200	0	200
LAKEFIELD	500	3200	500	3200	500	2400	500	3750	500	10416
LAKELAND	0	0	0	0	0	0	0	5000	0	15000
LAKEPORT	0	875	0	3194	0	4250	0	6167	0	0
LAKEVILLE	3877	88244	3876	88244	3876	88244	4736	88244	4736	48467
LAKEWOOD	0	0	0	0	0	0	0	0	0	0
LAMBERTON	0	1000	0	1000	0	1000	0	1000	0	1000
LANCASTER	0	0	0	4000	0	0	0	0	0	0
LANESBORO	350	1750	350	1750	350	7000	350	3500	550	3500
LASALLE	0	0	0	0	0	0	0	0	0	0
LE CENTER	400	4000	400	4000	400	4000	400	4000	400	4000
LE SUEUR	75	6862	75	21648	75	15877	250	12663	300	22740
LEAF VALLEY	0	2400	0	1600	0	2000	0	2000	0	2000
LEROY	150	0	150	0	250	0	250	452	250	30
LESTER PRAIRIE	0	7500	0	8000	0	8000	0	8000	0	8000
LEWISTON	0	2000	0	2000	0	4000	0	4000	0	2000
LEWISVILLE	125	0	250	0	250	0	250	0	250	0
LEXINGTON	0	12286	0	8700	0	8700	0	8700	0	8700
LINDSTROM	0	3119	0	3275	0	3439	0	8668	0	112
LINWOOD	0	7500	0	7500	0	7500	0	0	0	7500
LISMORE	0	0	0	0	0	0	0	0	0	0
LITCHFIELD	900	8820	900	12632	900	20317	900	12372	1580	11242
LITTLE CANADA	0	18000	0	18000	0	15000	100	15000	0	23829
LITTLE FALLS	595	7000	1750	7000	1750	7000	1750	8000	1750	8000
LITTLEFORK	300	3064	600	3021	500	1118	500	6000	500	4000
LONDON	170	0	170	0	170	0	170	0	0	0
LONG LAKE	0	22000	0	28000	700	34000	0	40000	700	40000
LONG PRAIRIE	600	3192	600	3013	600	3151	600	3000	600	3000
LONGVILLE	0	12500	0	12500	0	12500	0	11500	0	12616

ASSOC NA	1999		2000		2001		2002		2003	
	SALARIES	MUNC CON	SALARIES	MUNC CON	SALARIES	MUNC CON	SALARIES	MUNC CON	SALARIES	MUNC CON
LONSDALE	675	5500	900	5000	1550	5000	1550	10532	1550	7000
LORETTO	0	20000	0	20000	0	20000	0	20000	0	30000
LOWER ST. CROIX VAL	1080	0	1020	0	1020	0	1020	0	1020	0
LOWRY	0	5000	0	5000	0	5000	0	5000	0	5000
LUCAN	0	0	0	0	0	0	0	0	0	0
LUTSEN	0	5000	0	5000	0	5000	0	5087	300	8711
LUVERNE	0	19109	0	54502	0	51532	0	578076	0	89278
LYLE	300	0	300	0	300	0	300	0	300	0
LYND	0	0	0	0	0	0	0	0	0	0
MABEL	0	1162	0	853	0	1209	0	0	0	3853
MADELIA	0	0	0	0	0	0	0	1944	0	0
MADISON	250	4623	250	3564	450	2800	450	9078	450	13109
MADISON LAKE	0	7000	0	7096	0	9162	0	8549	0	6592
MAGNOLIA	0	250	0	250	0	0	0	0	0	250
MAHNOMEN	0	700	0	700	0	700	0	700	0	700
MAHTOMEDI	0	28000	0	28000	0	24800	0	26000	0	18000
MAHTOWA	0	3438	0	4805	0	3973	0	3730	0	3703
MAKINEN	600	3000	600	3000	600	4000	600	4000	600	4000
MANTORVILLE	0	5000	0	2500	0	2500	0	3746	0	8390
MAPLE GROVE	7405	133267	7388	127897	8038	130148	8038	147676	8066	158645
MAPLE HILL	0	0	0	0	0	0	0	0	0	7500
MAPLE LAKE	0	9000	0	9000	0	9000	0	9000	0	9000
MAPLE PLAIN	0	14500	0	0	0	16000	0	17600	0	16000
MAPLETON	1250	5850	1325	5775	850	5175	850	5625	0	7902
MAPLEVIEW	0	5000	0	5000	0	0	0	5000		
MAPLEWOOD	6520	66320	6520	9810	6520	0	6520	41874	6520	225854
MARBLE	200	8000	600	8000	600	8000	600	8000	600	8000
MARIETTA					0	2500	0	0	0	0
MARINE ON ST. CROIX	0	2400	0	3000	1770	0	0	3000	0	5700
MARSHALL	1770	10400	1770	0	500	6431	1770	10400	1770	31921
MAYER	250	6341	0	6431	0	0	250	6431	0	8560
MAYNARD	0	0	0	0	50	1702	0	0	0	0
MAZEPPA	50	3058	0	3201	0	0	50	0	0	0
MC DAVITT	0	0	0	2	0	0	0	1000	0	0
MC GRATH	0	1200	0	0	0	0	0	0	0	9000
MC GREGOR	0	0	0	8000	0	0	0	5000		
MC INTOSH	0	0	0	0	0	0	0	0	0	3398
MC KINLEY	0	3714	0	0	0	0	0	0	0	1000
MEADOWLANDS	0	3424	0	0	200	8000	0	1500	0	0

ASSOC NA	1999		2000		2001		2002		2003	
	SALARIES	MUNC CON	SALARIES	MUNC CON	SALARIES	MUNC CON	SALARIES	MUNC CON	SALARIES	MUNC CON
MEDFORD	200	2500	200	7500	0	16000	200	8000	200	9000
MEDICINE LAKE	0	20000	0	0	660	2700	0	10000	0	12000
MELROSE	660	2700	660	2700	200	2000	660	3190	1425	2700
MENAHGA	200	2000	0	2000	0	33151	0	2000	0	2000
MENDOTA HEIGHTS	0	28901	0	31311	0	0	1919	36683	2310	37443
MENTOR	0	0	0	0	0	0	0	0	0	0
MIDDLE RIVER	0	0	0	0	0	1800	0	0	0	0
MIESVILLE	0	1800	0	1800	120	0	0	1800	0	1800
MILACA	120	0	120	0	0	0	120	0	120	0
MILAN	0	0	0	0	0	14650	0	0	0	0
MILLERVILLE	560	9850	480	16950	0	0	0	13400	0	13400
MILROY	0	0	0	0	0	3000	0	234	0	0
MILTONA	0	3000	0	3000	0	3256	0	3500	0	3500
MINNEOTA	0	3208	0	3226	549	3760	0	3293	0	3329
MINNESOTA LAKE	599	3680	599	2000	13163	0	598	2000	599	5635
MINNETONKA	10946	0	12268	0	425	0	12891	45000	12690	75000
MISSION	350	0	125	0	0	2745	400	0	0	0
MONTEVIDEO	0	3703	0	0	1600	20000	0	1986	0	2115
MONTGOMERY	975	25000	1600	20000	420	0	1400	20000	1600	20000
MONTICELLO	420	0	420	0	2000	16542	0	0	420	0
MONTROSE	0	13425	0	16586	0	3850	2000	17603	2000	19847
MOOSE LAKE	0	3000	0	3000	0	0	0	0		
MORA	0	0	0	0	280	2581	0	0	0	9423
MORGAN	135	2176	279	2313	1290	0	280	2605		
MORRIS	1290	0	1290	0	0	2000	1290	10850	1290	14275
MORRISTOWN	0	0	0	2000	0	6645	0	7500	0	10438
MORTON	0	2000	0	2000	450	4989	0	6349	0	7732
MOTLEY	300	3932	450	3772	1800	105880	450	3709	900	17346
MOUND	1350	96050	1800	101810	0	9600	1800	109063	1800	112340
MOUNTAIN IRON	0	9600	0	9600	800	6975	0	10800	0	10800
MOUNTAIN LAKE	800	6068	800	6550	0	1600	800	6847	300	7410
MURDOCK	0	1800	0	1800	0	0	0	1800	0	2200
MYRTLE	0	0	0	0	500	7601	0	0	0	0
NASHWAUK	500	9492	500	7620	0	0	500	4835	500	12898
NASSAU	0	0	0	0	0	5000	0	0	0	0
NEVIS	0	5000	0	0	460	3480	0	5000	0	17140
NEW AUBURN	0	715	1600	3480	0	43000	730	4110	550	11616
NEW BRIGHTON	2584	38000	2400	28000	0	5000	234	40000	0	41200
NEW GERMANY	0	10935	0	7302	600	4166	0	5500	0	5500

ASSOC NA	1999		2000		2001		2002		2003	
	SALARIES	MUNC CON	SALARIES	MUNC CON	SALARIES	MUNC CON	SALARIES	MUNC CON	SALARIES	MUNC CON
NEW LONDON	600	4406	0	4226	0	14134	600	2778	600	7115
NEW MARKET	0	0	0	10900	0	2000	0	43999	0	40000
NEW MUNICH	0	2000	0	2000	0	5000	0	2000	150	2000
NEW PRAGUE	0	5000	0	5000	150	450	0	16000	0	19464
NEW RICHLAND	150	450	150	450	0	10000	250	450	250	450
NEW SCANDIA	0	10000	0	4000	3400	42016	0	12229	0	33152
NEW ULM	2800	42630	3100	36150	400	2765	3700	30090	4000	23606
NEW YORK MILLS	400	500	400	2611	0	0	400	2824	400	4926
NEWFOLDEN	0	0	0	0	300	14510	0	481	100	0
NEWPORT	300	20191	300	20868	0	0	300	23018	300	24240
NICOLLET	400	4600	0	600	0	7000	0	9145	0	4535
NISSWA	0	7000	0	7000	0	250	0	7000	0	7360
NODINE	0	550	0	600	1198	13000	0	350	0	800
NORTH BRANCH	1198	16174	1198	13045	1350	1680	1198	15039	1198	20635
NORTH MANKATO	1350	2087	1350	2171	800	0	1350	6362	1350	0
NORTH ST. PAUL	600	0	800	0	0	0	800	0	800	17301
NORTH STAR TOWNSHIP	0	0	0	0	650	45250	0	1200	0	0
NORTHFIELD	650	41986	650	38380	0	0	250	41000	1300	42192
NORTHLAND	0	0	0	0	500	0	0	0	0	0
NORTHOME	0	0	500	0	0	800	500	0	500	0
NORTHROP	0	800	0	800	200	13136	0	1200	0	1200
NORWOOD-YOUNG AMERICA	200	10000	0	10586	0	9400	450	13836	450	22099
OAK GROVE	0	6000	0	6000	5100	0	0	9400	0	12867
OAKDALE	6800	39754	6020	0	0	0	8108	26629	5300	36293
ODESSA FARM	0	0	0	0	0	0	0	0	0	0
ODIN	0	0	0	0	200	6000	0	0	0	0
OGILVIE	0	6000	400	6000	0	110	200	6000	200	969
OKABENA	0	0	0	0	300	0	0	151	0	0
OKLEE	300	0	300	0	600	2000	300	0	300	0
OLIVIA	600	0	600	0	0	58	600	0	600	5803
ONAMIA	0	0	0	1951	0	0	0	0	0	0
ORMSBY	0	0	0	0	0	0	0	0	0	0
ORONOCO	0	0	0	0	0	0	0	0	0	0
ORR	0	0	0	1500	150	38	0	0	0	2056
ORTONVILLE	150	0	150	97	0	16000	150	508	150	3
OSAKIS	0	10500	0	16000	900	0	0	16180	0	16020
OSSEO	900	33285	900	9735	0	200	900	2745	900	9984
OSTRANDER	0	200	0	200	0	7500	0	200	0	200
OTTERTAIL	0	7500	0	7500	1000	0	0	8700	0	8430

ASSOC NA	1999		2000		2001		2002		2003	
	SALARIES	MUNC CON	SALARIES	MUNC CON	SALARIES	MUNC CON	SALARIES	MUNC CON	SALARIES	MUNC CON
OWATONNA	1000	0	1000	0	0	1500	1000	0	1000	26406
PALISADE	0	1000	0	2000	0	6500	480	1500	0	4997
PALO	0	6500	0	6500	0	0	900	6500	900	6500
PARK RAPIDS	800	0	800	0	0	3000	800	0	800	0
PARKERS PRAIRIE	0	4274	0	2873	300	3000	0	3000	0	9749
PAYNESVILLE	300	3000	300	3000	600	921	300	4000	300	4000
PELICAN RAPIDS	400	0	400	0	0	2800	600	273	600	8126
PEMBERTON	0	2800	0	1000	0	800	0	1000	0	1330
PENNOCK	0	2122	0	2800	0	1020	0	1800	50	2200
PEQUAYWAN	0	5000	0	58	0	18455	0	0	0	0
PEQUOT LAKES	0	15934	0	16651	280	0	0	22224	0	26264
PERHAM	280	2391	280	0	1425	5200	280	0	450	4938
PIERZ	975	611	975	5843	0	0	1425	5200	1425	5200
PIKE-SANDY-BRITT	0	0	0	0	0	6000	0	0	0	0
PILLAGER	0	4000	1200	8000	2281	8000	300	4000	600	31000
PINE CITY	2173	7000	2282	7000	799	7000	2281	8500	2287	9500
PINE ISLAND	825	2254	830	7000	250	7978	800	9796	800	7140
PINE RIVER	250	12156	250	10782	1000	39790	250	14273		
PIPESTONE	1000	39092	1000	38616	0	4400	1000	37697	1000	33776
PLAINVIEW	0	4920	0	4400	0	15991	0	4400	0	4400
PLATO	0	7670	0	7250	406	0	0	792	0	9079
PLUMMER	400	0	400	0	2400	0	509	0	515	0
PLYMOUTH	2400	0	2400	0	0	0	0	0	4800	0
PORTER	0	0	0	1972	0	2998	0	921	0	0
PRESTON	0	2046	0	3085	567	15389	0	2520	0	4000
PRINCETON	567	15537	567	31039	0	2198	567	15093	540	31249
PRINSBURG	0	2504	0	2183	0	0	0	0	0	2950
PRIOR LAKE	0	0	0	0	0	3544	0	15000	0	20000
PROCTOR	0	0	0	2246	0	0	0	0	0	1345
RAMSEY	0	200	0	7050	0	5000	0	7000	0	0
RANDALL	0	5000	0	5000	650	4000	0	5000	0	5000
RANDOLPH	650	3500	650	4000	0	1500	650	4000	650	4000
RAYMOND	0	1500	0	1500	300	2000	0	1500	0	1500
RED LAKE FALLS	300	2000	300	2000	750	0	300	2000	300	2000
RED WING	750	0	750	0	0	15600	0	0	750	0
REDWOOD FALLS	0	15600	0	15600	0	7613	0	15600	0	18600
REMER	0	7193	0	7203	250	2500	0	9822	0	9281
RENVILLE	250	2500	250	2500	400	0	250	2500	250	6747
REVERE	400	0	400	0	0	2925	400	0	400	0

ASSOC NA	1999		2000		2001		2002		2003	
	SALARIES	MUNC CON	SALARIES	MUNC CON	SALARIES	MUNC CON	SALARIES	MUNC CON	SALARIES	MUNC CON
RICE	0	2143	200	1120	0	6000	0	837	0	178
RICE LAKE	0	6019	0	6000	450	9300	0	6000	0	26125
RICHMOND	450	7800	450	8400	4414	30000	450	9600	450	11400
ROBBINSDALE	3552	30827	4844	25901	0	0	5006	120000	5006	120000
ROCKFORD	0	0	0	15000	0	5640	0	0	0	0
ROCKVILLE	300	3724	0	5417	0	9000	0	6541	0	8129
ROGERS	0	2000	0	2000	0	0	0	9000	0	9000
ROLLINGSTONE	0	0	0	0	0	1798	0	0	0	451
ROSE CREEK	0	1361	0	3771	525	3500	0	3801	0	3528
ROSEAU	0	3500	0	3500	800	26000	0	3500	0	3500
ROSEMOUNT	400	26000	0	26000	1539	100000	400	135000	400	135000
ROSEVILLE	3386	125000	2165	100000	0	0	1373	179295	1962	298670
ROTHSAY	400	0	200	0	0	0	400	0	200	0
ROUND LAKE	0	0	0	0	475	1500	0	0	0	0
ROYALTON	475	1500	475	1500	0	3776	475	2967	475	2967
RUSH CITY	0	9666	0	2458	400	1500	0	10105	0	13157
RUSHFORD	400	1500	400	1500	0	0	400	1500	500	1500
RUSHMORE	0	0	0	11220	0	0	0	0	0	0
RUSSELL	0	0	0	0	0	425	0	0	0	0
RUTHTON	0	425	0	425	250	0	0	0	0	850
SABIN-ELMWOOD	0	0	0	0	0	0	0	0	0	586
SACRED HEART	500	0	0	0	0	6000	0	1479	0	0
SAINT ANTHONY	0	6000	0	6000	400	12936	0	6000	0	6000
SAINT BONIFACIUS	0	12272	600	7862	1000	5000	416	12480	433	26854
SAINT CHARLES	1000	1004	1000	0	275	10000	1000	0	1000	12000
SAINT CLAIR	0	5000	0	5000	1510	0	275	5000	275	10000
SAINT CLOUD TWNSHP	1320	0	1365	0	135	9240	1554	0	1510	0
SAINT FRANCIS	115	6760	115	10265	80	0	115	10127	115	14886
SAINT HILAIRE	80	0	80	0	2000	14346	80	0	80	0
SAINT JAMES	2000	10871	1500	13060	1150	3000	2075	16007	2075	18734
SAINT JOSEPH	1150	3000	1150	3000	200	0	1150	12634	575	28757
SAINT LEO	0	0	200	0	0	6000	200	0	400	0
SAINT MARTIN	0	6000	0	6910	150	29774	0	6000	0	6000
SAINT MICHAEL	450	0	450	0	150	0	0	15105	900	29731
SAINT PAUL PARK	300	0	300	0	525	8532	450	0	450	5795
SAINT PETER	525	0	525	6400	830	9550	525	12288	525	18797
SAINT STEPHEN	730	6100	730	9550	0	1283	830	12314	830	17204
SANBORN	0	2000	0	2000	0	3000	0	4717	0	0
SANDSTONE	1100	0	1200	0	0	5750	1200	0	2000	3000

ASSOC NA	1999		2000		2001		2002		2003	
	SALARIES	MUNC CON	SALARIES	MUNC CON	SALARIES	MUNC CON	SALARIES	MUNC CON	SALARIES	MUNC CON
SUNBURG	0	0	0	0	0	4000	0	0	0	0
SWANVILLE	0	4000	0	4000	0	4948	0	4000	0	4000
TACONITE	0	3228	0	4788	0	0	0	7094	0	6856
TAUNTON	0	165	0	210	646	0	0	480	0	210
TAYLORS FALLS	646	0	554	0	0	0	737	0	554	0
THIEF RIVER FALLS	0	0	0	0	0	4000	0	0	0	0
THOMSON TOWN	0	4000	0	3990	0	3000	0	4000	0	8000
TOFTE	0	3000	0	3000	0	0	0	3000	0	3000
TOIVOLA	0	0	0	0	750	5170	0	0	0	0
TOWER	825	4928	900	5132	1500	3000	900	5150	825	4500
TRACY	1500	2500	1500	2500	0	2604	1500	3000	1500	5186
TRIMONT	0	2300	0	2600	0	0	0	2603	0	2500
TRUMAN	0	0	0	0	0	0	0	0	0	0
TWIN LAKES [FREEBORN]	0	7500	0	0	0	0	0	0	0	0
TWIN LAKES [MAHNOMEN]	0	0	0	0	0	0	0	0	0	0
TWIN VALLEY	0	0	0	0	1000	0	0	0	0	0
TWO HARBORS	1000	0	1000	0	0	0	1000	0	1000	0
TYLER	0	2500	0	1500	0	300	0	2500	0	174
ULEN	0	300	0	300	0	500	0	300	0	300
UNDERWOOD	0	500	0	3500	0	1500	0	4500	0	500
UPSALA	0	1500	0	0	651	23500	0	3000	0	1500
VADNAIS HEIGHTS	0	18351	653	30988	0	0	651	38400	4496	29409
VERGAS	0	0	0	0	0	700	0	0	0	0
VERMILION	0	700	0	700	0	2350	0	700	0	700
VERNDALE	0	1706	0	1853	0	1000	0	2471	0	3705
VERNON CENTER	0	0	0	1000	200	0	0	0	0	0
VESTA	200	0	200	0	0	2046	200	183	200	183
VICTORIA	250	32976	0	19414	0	7750	0	16896	0	29645
VILLARD	0	3700	0	1872	0	0	0	15750	0	11436
VINING	0	0	0	0	987	11561	0	0	0	191
WABASHA	1636	24126	1180	16306	0	0	173	13334	171	27939
WABASSO	0	0	0	0	2584	15000	0	0	0	0
WACONIA	2584	12500	2584	15000	475	2950	2583	21490	2583	30080
WADENA	425	2950	475	2950	210	3500	475	3550	475	3900
WAITE PARK	210	3500	210	3500	0	0	0	3500	0	3500
WALDORF	0	0	0	0	0	11275	0	0	0	976
WALKER	0	10250	0	11275	0	500	0	0	0	9204
WALNUT GROVE	0	500	0	500	0	0	0	500	0	500
WALTERS	0	0	0	0	0	0	0	776	0	0

ASSOC NA	1999		2000		2001		2002		2003	
	SALARIES	MUNC CON	SALARIES	MUNC CON	SALARIES	MUNC CON	SALARIES	MUNC CON	SALARIES	MUNC CON
WANAMINGO	0	0	0	0	0	0	0	0	0	0
WANDA	0	0	0	0	0	89	0	0	0	0
WARBA-FEELEY-SAGO	0	1715	0	1267	0	0	0	277	0	0
WARREN	0	0	0	0	0	0	0	0	0	0
WARROAD	0	0	0	0	0	5000	0	184	0	4140
WASECA	0	3677	0	5000	0	12000	0	5000	0	16625
WATERTOWN	0	8000	0	10000	0	0	0	12500	0	14000
WATERVILLE	0	0	0	0	565	7325	0	0	700	0
WATKINS	490	6500	490	6500	0	1200	565	7025	565	7250
WATSON	0	0	0	3600	0	0	0	1200	0	1200
WAUBUN	0	0	0	0	0	10000			0	0
WAVERLY	0	10000	0	10000	0	15000	0	10000	0	10000
WAYZATA	900	12707	800	11017	150	5625	0	25000	0	30000
WELCOME	150	4527	150	5512	0	3500	150	5350	150	5200
WELLS	0	1750	0	1750	220	0	0	5000	0	5000
WENDELL	220	0	220	0	0	0	220	0	220	0
WEST CONCORD	0	0	0	0	12600	58166	0	0	0	0
WEST METRO	10400	0	10238	0	0	0	12540	50908	16900	10067
WESTBROOK	0	1000	0	1000	0	12500	0	0	0	1250
WHEATON	0	7500	0	7500	3260	0	0	24100	0	1132
WHITE BEAR LAKE	3591	20000	3890	20000	0	0	3320	20000	4199	19043
WILLIAMS	0	0	0	0	2300	0	0	0	0	0
WILLMAR	2175	0	2300	0	0	0	2500	0	3000	5840
WILLOW RIVER	0	0	0	0	52	0	0	0	0	0
WILMONT	32	0	32	0	0	5213	41	0	42	0
WILSON	0	6619	0	5254	0	5000	0	5183	0	5778
WINDOM	0	5000	0	5000	0	0	0	5000	0	5000
WINGER	0	0	0	0	300	4000	0	0	0	0
WINNEBAGO	300	4000	300	2000	800	13700	600	4000	0	2000
WINSTED	800	12700	800	13700	0	5720	800	13700	800	13700
WINTHROP	0	5720	0	5720	0	0	0	6240	0	6760
WOLF LAKE	0	0	0	0	0	486	0	0	0	1000
WOOD LAKE	0	485	0	500	7674	0	0	455	0	492
WOODBURY	15778	43285	7797	16418	0	0	6669	105333	3276	104022
WOODSTOCK	0	0	0	0	400	77700	0	0	0	0
WORTHINGTON	800	67568	800	55353	538	0	800	95169	200	94834
WRENSHALL	538	3	538	0	0	0	538	0	700	1166
WRIGHT	600	8000	460	4000	600	2700	300	0	300	0
WYKOFF	400	2700	250	2700	200	9600	600	2700	600	2700

<u>ASSOC NA</u>	<u>1999</u>		<u>2000</u>		<u>2001</u>		<u>2002</u>		<u>2003</u>	
	<u>SALARIES</u>	<u>MUNC CON</u>	<u>SALARIES</u>	<u>MUNC CON</u>	<u>SALARIES</u>	<u>MUNC CON</u>	<u>SALARIES</u>	<u>MUNC CON</u>	<u>SALARIES</u>	<u>MUNC CON</u>
WYOMING	200	0	200	2600	0	60000	0	0	400	7000
ZIMMERMAN	0	30000	0	982	300	5308	0	30000	0	30000
ZUMBRO FALLS	300	1296	300	2220	0	12867	300	3650	300	3800
ZUMBROTA	0	12038	0	12466			0	19057	0	15472

Exhibit E
Pension Reporting Entities
2005 Reporting Year

597	Defined Benefit - Lump Sum	323 Over \$200,000	274 Under \$200,000
89	Defined Contribution	38 Over \$200,000	51 Under \$200,000
21	Defined Benefit - Monthly/Lump Sum	21 Over \$200,000	0 Under \$200,000
5	Defined Benefit - Monthly	5 Over \$200,000	0 Under \$200,000
<hr/> 712	Volunteer Fire Relief Associations	387 Over \$200,000	325 Under \$200,000

Exhibit F
State Fire Aid Certification History

Reporting Year	1st Round	2nd Round	3rd Round	4th Round	Total	Forfeits
2004	498	200	*		698	
2003	470	232	57	5	764	3 **
2002	649	102	8	7	766	0
2001	641	116	10	2	769	0
2000	491	241	32	0	764	0
1999	626	106	33	1	766	0
1998	491	189	81	3	764	0
1997	614	63	59	26	762	0
1996	606	0	0	0	606	0
1995	589	0	0	0	589	0
1994	566	128	0	0	694	0
1993	333	0	0	0	333	7

* Only 18 with pending issues and 46 not fully filed by 2nd deadline.

** Arrowhead, Mapleview and Shelly did not file by the November 30 Statutory deadline that requires forfeiture of state fire aid.

State Auditor's Office - Pension Division
Additional Files to be Certified for State Fire Aid as of November 1, 2005

<u>County</u>	<u>Fire Cod</u>	<u>Entity</u>	<u>Relief</u>	Number of Files: 200
<i>Entities Affiliated with a Relief Association</i>				
54	0100	ADA CITY OF	ADA FIRE RELIEF ASSOCIATION	
86	0100	ALBERTVILLE CITY OF	ALBERTVILLE FIRE RELIEF ASSOCIATION	
13	5000	ALMELUND V.F.D.	ALMELUND FIRE RELIEF ASSOCIATION	
2	0300	ANDOVER CITY OF	ANDOVER FIRE RELIEF ASSOCIATION	
76	0100	APPLETON CITY OF	APPLETON FIRE RELIEF ASSOCIATION	
58	0100	ASKOV CITY OF	ASKOV FIRE RELIEF ASSOCIATION	
34	0100	ATWATER CITY OF	ATWATER FIRE RELIEF ASSOCIATION	
3	0100	AUDUBON CITY OF	AUDUBON FIRE RELIEF ASSOCIATION	
50	0200	AUSTIN CITY OF	AUSTIN FIRE RELIEF ASSOCIATION	
11	0200	BACKUS CITY OF	BACKUS FIRE RELIEF ASSOCIATION	
68	0100	BADGER CITY OF	BADGER FIRE RELIEF ASSOCIATION	
9	0300	BARNUM CITY OF	BARNUM FIRE RELIEF ASSOCIATION	
26	0200	BARRETT CITY OF	BARRETT FIRE RELIEF ASSOCIATION	
71	0100	BECKER CITY OF	BECKER FIRE RELIEF ASSOCIATION	
73	0300	BELGRADE CITY OF	BELGRADE FIRE RELIEF ASSOCIATION	
4	0100	BEMIDJI CITY OF	BEMIDJI FIRE RELIEF ASSOCIATION	
69	0900	BIWABIK CITY OF	BIWABIK CITY FIRE RELIEF ASSOCIATION	
34	0200	BLOMKEST CITY OF	BLOMKEST FIRE RELIEF ASSOCIATION	
31	0600	BOVEY CITY OF	BOVEY FIRE RELIEF ASSOCIATION	
21	0200	BRANDON CITY OF	BRANDON FIRE RELIEF ASSOCIATION	
84	0100	BRECKENRIDGE CITY OF	BRECKENRIDGE FIRE RELIEF ASSOCIATION	
69	0013	BREVATOR TOWN OF	BREVATOR FIRE RELIEF ASSOCIATION	
53	0300	BREWSTER CITY OF	BREWSTER FIRE RELIEF ASSOCIATION	
58	0400	BROOK PARK CITY OF	BROOK PARK FIRE RELIEF ASSOCIATION	
77	0200	BROWERVILLE CITY OF	BROWERVILLE FIRE RELIEF ASSOCIATION	
65	0200	BUFFALO LAKE CITY OF	BUFFALO LAKE FIRE RELIEF ASSOCIATION	
69	1300	BUHL CITY OF	BUHL FIRE RELIEF ASSOCIATION	
55	0100	BYRON CITY OF	BYRON FIRE RELIEF ASSOCIATION	
28	0200	CALEDONIA CITY OF	CALEDONIA FIRE RELIEF ASSOCIATION	
87	0200	CANBY CITY OF	CANBY FIRE RELIEF ASSOCIATION	
21	0300	CARLOS CITY OF	CARLOS FIRE RELIEF ASSOCIATION	
3	0005	CARSONVILLE V.F.D., INC.	CARSONVILLE FIRE RELIEF ASSOCIATION	
13	0200	CENTER CITY CITY OF	CENTER CITY FIRE RELIEF ASSOCIATION	
69	1800	CHISHOLM CITY OF	CHISHOLM FIRE RELIEF ASSOCIATION	

State Auditor's Office - Additional Files to be Certified for State Fire Aid as of November 1, 2005

<u>County</u>	<u>Fire Cod</u>	<u>Entity</u>	<u>Relief</u>
75	0200	CHOKIO CITY OF	CHOKIO FIRE RELIEF ASSOCIATION
20	0100	CLAREMONT CITY OF	CLAREMONT FIRE RELIEF ASSOCIATION
86	0400	CLEARWATER CITY OF	CLEARWATER FIRE RELIEF ASSOCIATION
69	9100	CLIFTON V.F.D., INC.	CLIFTON FIRE RELIEF ASSOCIATION
60	0300	CLIMAX CITY OF	CLIMAX FIRE RELIEF ASSOCIATION
69	0017	CLINTON TOWN OF	CLINTON FIRE RELIEF ASSOCIATION [ST LOUIS]
10	0500	COLOGNE CITY OF	COLOGNE FIRE RELIEF ASSOCIATION
69	0018	COLVIN TOWN OF	COLVIN FIRE RELIEF ASSOCIATION
69	8900	COTTON V.F.D., INC.	COTTON FIRE RELIEF ASSOCIATION
42	0400	COTTONWOOD CITY OF	COTTONWOOD FIRE RELIEF ASSOCIATION
11	0012	CROOKED LAKE TOWN OF	CROOKED LAKE FIRE RELIEF ASSOCIATION
18	0300	CROSBY CITY OF	CROSBY FIRE RELIEF ASSOCIATION
18	0500	CUYUNA CITY OF	CUYUNA FIRE RELIEF ASSOCIATION
61	0100	CYRUS CITY OF	CYRUS FIRE RELIEF ASSOCIATION
56	0700	DALTON CITY OF	DALTON FIRE RELIEF ASSOCIATION
27	6600	DAYTON CITY OF	DAYTON FIRE RELIEF ASSOCIATION
46	0200	DUNNELL CITY OF	DUNNELL FIRE RELIEF ASSOCIATION
7	0300	EAGLE LAKE CITY OF	EAGLE LAKE FIRE RELIEF ASSOCIATION
22	0400	EASTON CITY OF	EASTON FIRE RELIEF ASSOCIATION
59	0100	EDGERTON CITY OF	EDGERTON FIRE RELIEF ASSOCIATION
28	0300	EITZEN CITY OF	EITZEN FIRE RELIEF ASSOCIATION
79	0100	ELGIN CITY OF	ELGIN FIRE RELIEF ASSOCIATION
40	6800	ELYSIAN CITY OF	ELYSIAN FIRE RELIEF ASSOCIATION
18	2400	EMILY CITY OF	EMILY FIRE RELIEF ASSOCIATION
24	0600	EMMONS CITY OF	EMMONS FIRE RELIEF ASSOCIATION
27	0900	EXCELSIOR CITY OF	EXCELSIOR FIRE RELIEF ASSOCIATION
69	0026	FAYAL TOWN OF	FAYAL FIRE RELIEF ASSOCIATION
11	0700	FEDERAL DAM CITY OF	FEDERAL DAM FIRE RELIEF ASSOCIATION
18	0700	FIFTY LAKES CITY OF	FIFTY LAKES FIRE RELIEF ASSOCIATION
38	5000	FINLAND F.D.	FINLAND FIRE RELIEF ASSOCIATION
69	2900	FLOODWOOD CITY OF	FLOODWOOD FIRE RELIEF ASSOCIATION
60	1100	FOSSTON CITY OF	FOSSTON FIRE RELIEF ASSOCIATION
3	0400	FRAZEE CITY OF	FRAZEE FIRE RELIEF ASSOCIATION
69	7600	FREDENBERG V.F.D., INC.	FREDENBERG FIRE RELIEF ASSOCIATION
18	1000	GARRISON CITY OF	GARRISON FIRE RELIEF ASSOCIATION
24	0900	GLENVILLE CITY OF	GLENVILLE FIRE RELIEF ASSOCIATION
61	0300	GLENWOOD CITY OF	GLENWOOD FIRE RELIEF ASSOCIATION

State Auditor's Office - Additional Files to be Certified for State Fire Aid as of November 1, 2005

<u>County</u>	<u>Fire Cod</u>	<u>Entity</u>	<u>Relief</u>
15	0500	GONVICK CITY OF	GONVICK FIRE RELIEF ASSOCIATION
69	7800	GRAND LAKE V.F.D., INC.	GRAND LAKE FIRE RELIEF ASSOCIATION
68	0200	GREENBUSH CITY OF	GREENBUSH FIRE RELIEF ASSOCIATION
45	0500	GRYGLA CITY OF	GRYGLA FIRE RELIEF ASSOCIATION
35	0300	HALLOCK CITY OF	HALLOCK FIRE RELIEF ASSOCIATION
2	1700	HAM LAKE CITY OF	HAM LAKE FIRE RELIEF ASSOCIATION
8	0500	HANSKA CITY OF	HANSKA FIRE RELIEF ASSOCIATION
13	0400	HARRIS CITY OF	HARRIS FIRE RELIEF ASSOCIATION
24	1100	HARTLAND CITY OF	HARTLAND FIRE RELIEF ASSOCIATION
24	1200	HAYWARD CITY OF	HAYWARD FIRE RELIEF ASSOCIATION
56	1400	HENNING CITY OF	HENNING FIRE RELIEF ASSOCIATION
26	0500	HERMAN CITY OF	HERMAN FIRE RELIEF ASSOCIATION
69	3800	HIBBING CITY OF	HIBBING FIRE RELIEF ASSOCIATION
1	0700	HILL CITY CITY OF	HILL CITY FIRE RELIEF ASSOCIATION
28	0500	HOKAH CITY OF	HOKAH FIRE RELIEF ASSOCIATION
59	0400	HOLLAND CITY OF	HOLLAND FIRE RELIEF ASSOCIATION
16	8000	HOVLAND AREA V.F.D., INC.	HOVLAND AREA FIRE RELIEF ASSOCIATION
86	1000	HOWARD LAKE CITY OF	HOWARD LAKE FIRE RELIEF ASSOCIATION
69	7200	HOYT LAKES CITY OF	HOYT LAKES FIRE RELIEF ASSOCIATION
41	0300	IVANHOE CITY OF	IVANHOE FIRE RELIEF ASSOCIATION
32	0300	JACKSON CITY OF	JACKSON FIRE RELIEF ASSOCIATION
1	5000	JACOBSON COMMUNITY F.D.	JACOBSON FIRE RELIEF ASSOCIATION
81	0200	JANESVILLE CITY OF	JANESVILLE FIRE RELIEF ASSOCIATION
17	0300	JEFFERS CITY OF	JEFFERS FIRE RELIEF ASSOCIATION
20	0400	KASSON CITY OF	KASSON FIRE RELIEF ASSOCIATION
25	0600	KENYON CITY OF	KENYON FIRE RELIEF ASSOCIATION
9	1000	KETTLE RIVER CITY OF	KETTLE RIVER FIRE RELIEF ASSOCIATION
41	0400	LAKE BENTON CITY OF	LAKE BENTON FIRE RELIEF ASSOCIATION
29	5000	LAKE GEORGE V.F.D., INC.	LAKE GEORGE FIRE RELIEF ASSOCIATION
3	0500	LAKE PARK CITY OF	LAKE PARK FIRE RELIEF ASSOCIATION
32	0400	LAKEFIELD CITY OF	LAKEFIELD FIRE RELIEF ASSOCIATION
83	0300	LA SALLE CITY OF	LaSalle Fire Relief Association
40	0600	LE CENTER CITY OF	LE CENTER FIRE RELIEF ASSOCIATION
21	0011	LEAF VALLEY TOWN OF	LEAF VALLEY FIRE RELIEF ASSOCIATION
47	0800	LITCHFIELD CITY OF	LITCHFIELD FIRE RELIEF ASSOCIATION
49	1000	LITTLE FALLS CITY OF	LITTLE FALLS FIRE RELIEF ASSOCIATION
36	1300	LITTLEFORK CITY OF	LITTLEFORK FIRE RELIEF ASSOCIATION

State Auditor's Office - Additional Files to be Certified for State Fire Aid as of November 1, 2005

<u>County</u>	<u>Fire Cod</u>	<u>Entity</u>	<u>Relief</u>
24	5000	LONDON CO-OP COMM. F.D.	LONDON FIRE RELIEF ASSOCIATION
66	0400	LONSDALE CITY OF	LONSDALE FIRE RELIEF ASSOCIATION
27	9600	LORETTO V.F.D.	LORETTO FIRE RELIEF ASSOCIATION
7	0800	MADISON LAKE CITY OF	MADISON LAKE FIRE RELIEF ASSOCIATION
69	9500	MAKINEN V.F.D.	MAKINEN FIRE RELIEF ASSOCIATION
7	1000	MAPLETON CITY OF	MAPLETON FIRE RELIEF ASSOCIATION
82	1100	MARINE-ON-ST CROIX CITY OF	MARINE-ON-ST CROIX FIRE RELIEF ASSOCIATION
79	0500	MAZEPPA CITY OF	MAZEPPA FIRE RELIEF ASSOCIATION
1	1300	MC GRATH CITY OF	MC GRATH FIRE RELIEF ASSOCIATION
69	4900	MC KINLEY CITY OF	MC KINLEY FIRE RELIEF ASSOCIATION
27	3500	MEDICINE LAKE CITY OF	MEDICINE LAKE FIRE RELIEF ASSOCIATION
19	1500	MIESVILLE CITY OF	MIESVILLE FIRE RELIEF ASSOCIATION
12	0500	MILAN CITY OF	MILAN FIRE RELIEF ASSOCIATION
21	1100	MILTONA CITY OF	MILTONA FIRE RELIEF ASSOCIATION
18	0020	MISSION TOWN OF	MISSION FIRE RELIEF ASSOCIATION
40	0800	MONTGOMERY CITY OF	MONTGOMERY FIRE RELIEF ASSOCIATION
86	1300	MONTROSE CITY OF	MONTROSE FIRE RELIEF ASSOCIATION
9	1200	MOOSE LAKE CITY OF	MOOSE LAKE FIRE RELIEF ASSOCIATION
31	2600	NASHWAUK CITY OF	NASHWAUK FIRE RELIEF ASSOCIATION
81	0400	NEW RICHLAND CITY OF	NEW RICHLAND FIRE RELIEF ASSOCIATION
18	1600	NISSWA CITY OF	NISSWA FIRE RELIEF ASSOCIATION
52	0500	NORTH MANKATO CITY OF	NORTH MANKATO FIRE RELIEF ASSOCIATION
69	0076	NORTH STAR TOWN OF	NORTH STAR TOWNSHIP FIRE RELIEF ASSOCIATION
46	0700	NORTHROP CITY OF	NORTHROP FIRE RELIEF ASSOCIATION
10	0900	NORWOOD YOUNG AMERICA	NORWOOD YOUNG AMERICA FIRE RELIEF ASSOCIATION
82	5200	OAKDALE V.F.D., INC.	OAKDALE FIRE RELIEF ASSOCIATION
6	5000	ODESSA FARM F.D.	ODESSA FIRE RELIEF ASSOCIATION
32	0500	OKABENA CITY OF	OKABENA FIRE RELIEF ASSOCIATION
63	0400	OKLEE CITY OF	OKLEE FIRE RELIEF ASSOCIATION
69	5600	ORR CITY OF	ORR FIRE RELIEF ASSOCIATION
6	0800	ORTONVILLE CITY OF	ORTONVILLE FIRE RELIEF ASSOCIATION
27	2300	OSSEO CITY OF	OSSEO FIRE RELIEF ASSOCIATION
56	1700	OTTERTAIL CITY OF	OTTERTAIL FIRE RELIEF ASSOCIATION
69	8500	PALO V.F.D. (Town of White)	PALO FIRE RELIEF ASSOCIATION
29	1300	PARK RAPIDS CITY OF	PARK RAPIDS FIRE RELIEF ASSOCIATION
56	1800	PARKERS PRAIRIE CITY OF	PARKERS PRAIRIE FIRE RELIEF ASSOCIATION
56	1900	PELICAN RAPIDS CITY OF	PELICAN RAPIDS FIRE RELIEF ASSOCIATION

State Auditor's Office - Additional Files to be Certified for State Fire Aid as of November 1, 2005

<u>County</u>	<u>Fire Cod</u>	<u>Entity</u>	<u>Relief</u>
69	0075	PEQUAYWAN LAKE CITY OF	PEQUAYWAN FIRE RELIEF ASSOCIATION
56	2000	PERHAM CITY OF	PERHAM FIRE RELIEF ASSOCIATION
69	8600	PIKE-SANDY-BRITT F.D., INC.	PIKE-SANDY-BRITT FIRE RELIEF ASSOCIATION
11	1600	PINE RIVER CITY OF	PINE RIVER FIRE RELIEF ASSOCIATION
43	0600	PLATO CITY OF	PLATO FIRE RELIEF ASSOCIATION
27	4700	PLYMOUTH CITY OF	PLYMOUTH FIRE RELIEF ASSOCIATION
87	0800	PORTER CITY OF	PORTER FIRE RELIEF ASSOCIATION
70	0800	PRIOR LAKE CITY OF	PRIOR LAKE FIRE RELIEF ASSOCIATION
25	0800	RED WING CITY OF	RED WING FIRE RELIEF ASSOCIATION
69	0061	RICE LAKE TOWN OF	RICE LAKE FIRE RELIEF ASSOCIATION
73	2100	RICHMOND CITY OF	RICHMOND FIRE RELIEF ASSOCIATION
85	0900	ROLLINGSTONE CITY OF	ROLLINGSTONE FIRE RELIEF ASSOCIATION
53	1000	ROUND LAKE CITY OF	ROUND LAKE FIRE RELIEF ASSOCIATION
13	0700	RUSH CITY CITY OF	RUSH CITY FIRE RELIEF ASSOCIATION
42	1200	RUSSELL CITY OF	RUSSELL FIRE RELIEF ASSOCIATION
65	1000	SACRED HEART CITY OF	SACRED HEART FIRE RELIEF ASSOCIATION
86	1600	SAINT MICHAEL CITY OF	SAINT MICHAEL FIRE RELIEF ASSOCIATION
73	2900	SAINT STEPHEN CITY OF	SAINT STEPHEN FIRE RELIEF ASSOCIATION
58	2100	SANDSTONE CITY OF	SANDSTONE FIRE RELIEF ASSOCIATION
5	0900	SAUK RAPIDS CITY OF	SAUK RAPIDS FIRE RELIEF ASSOCIATION
9	1500	SCANLON CITY OF	SCANLON FIRE RELIEF ASSOCIATION
80	0400	SEBEKA CITY OF	SEBEKA FIRE RELIEF ASSOCIATION
15	0800	SHEVLIN CITY OF	SHEVLIN FIRE RELIEF ASSOCIATION
69	7400	SILICA V.F.D., INC.	SILICA FIRE RELIEF ASSOCIATION
38	1000	SILVER BAY, CITY OF	SILVER BAY FIRE RELIEF ASSOCIATION
51	1000	SLAYTON CITY OF	SLAYTON FIRE RELIEF ASSOCIATION
8	0900	SPRINGFIELD CITY OF	SPRINGFIELD FIRE RELIEF ASSOCIATION
31	3200	SQUAW LAKE CITY OF	SQUAW LAKE FIRE RELIEF ASSOCIATION
27	2900	SAINT BONIFACIUS CITY OF	ST. BONIFACIUS FIRE RELIEF ASSOCIATION
73	2700	SAINT MARTIN CITY OF	ST. MARTIN FIRE RELIEF ASSOCIATION
43	0900	STEWART CITY OF	STEWART FIRE RELIEF ASSOCIATION
34	1300	SUNBURG CITY OF	SUNBURG FIRE RELIEF ASSOCIATION
42	1300	TAUNTON CITY OF	TAUNTON FIRE RELIEF ASSOCIATION
9	0023	THOMSON TOWN OF	THOMSON FIRE RELIEF ASSOCIATION
69	8100	TOIVOLA V.F.D., INC.	TOIVOLA FIRE RELIEF ASSOCIATION
46	1200	TRUMAN CITY OF	TRUMAN FIRE RELIEF ASSOCIATION
24	1800	TWIN LAKES CITY OF (FREEBORN)	TWIN LAKES FIRE RELIEF ASSOCIATION (CITY)

State Auditor's Office - Additional Files to be Certified for State Fire Aid as of November 1, 2005

<u>County</u>	<u>Fire Cod</u>	<u>Entity</u>	<u>Relief</u>
54	1100	TWIN VALLEY CITY OF	TWIN VALLEY FIRE RELIEF ASSOCIATION
41	0500	TYLER CITY OF	TYLER FIRE RELIEF ASSOCIATION
49	1700	UPSALA CITY OF	UPSALA FIRE RELIEF ASSOCIATION
80	9500	WADENA CITY OF	WADENA FIRE RELIEF ASSOCIATION
81	0700	WALDORF CITY OF	WALDORF FIRE RELIEF ASSOCIATION
64	1600	WANDA CITY OF	WANDA FIRE RELIEF ASSOCIATION
40	1100	WATERVILLE CITY OF	WATERVILLE FIRE RELIEF ASSOCIATION
44	0500	WAUBUN CITY OF	WAUBUN FIRE RELIEF ASSOCIATION
26	0800	WENDELL CITY OF	WENDELL FIRE RELIEF ASSOCIATION
20	0600	WEST CONCORD CITY OF	WEST CONCORD FIRE RELIEF ASSOCIATION
27	4200	WEST METRO	WEST METRO FIRE RELIEF ASSOCIATION
60	2200	WINGER CITY OF	WINGER FIRE RELIEF ASSOCIATION
22	1300	WINNEBAGO CITY OF	WINNEBAGO FIRE RELIEF ASSOCIATION
3	0700	WOLF LAKE CITY OF	WOLF LAKE FIRE RELIEF ASSOCIATION
53	1300	WORTHINGTON CITY OF	WORTHINGTON FIRE RELIEF ASSOCIATION
9	1800	WRIGHT CITY OF	WRIGHT FIRE RELIEF ASSOCIATION

State Auditor's Office - Additional Files to be Certified for State Fire Aid as of November 1, 2005

County Fire Cod Entity Relief

Entities Not Affiliated with a Relief Association

54	0200	BORUP CITY OF	BORUP CITY OF
25	6900	DENNISON CITY OF	DENNISON CITY OF

Exhibit H

Late Filing Fire Relief Associations

The following 46 relief associations did not fully file their 2004 reporting forms with the State Auditor's Office before the October 31, 2005 deadline for the second round of state fire aid payments. These relief associations must fully file by November 30, 2005 to avoid forfeiting their 2005 state fire aid and possibly losing eligibility for future aid payments until the forms are submitted. The next round of state fire aid payments is March 1, 2006.

March 31

Bagley, Bethel, Bigelow, Brownsville, Clarks Grove, Dakota, Embarrass, Goodland, Green Isle, Heron Lake, Lakeport, Lucan, Lyle, New Munich, Newfolden, Northland, Onamia, Sedan, Shelly, Storden, Villard, Walters, Warba and Woodstock.

June 30

Annandale, Braham, Buffalo, Calumet, Cleveland, Cook, Eveleth, Glyndon, Granite Falls, Keewatin, Long Lake, Mc Gregor, New Market, Princeton, Randolph, Saint Clair, Silver Lake, Taylors Falls, Victoria, Wanamingo, Waverly and Wyoming.

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Minnesota Statutes
Chapter 6

State Auditor

(§ 6.72)

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6.72 State Auditor; report to legislature on volunteer firefighters' relief associations.

Subdivision 1. **Reporting requirements.** Commencing November 15, 1981, and every two years thereafter, the state auditor shall report to the legislature on the general financial condition of the various volunteer firefighters' relief associations in the state as of December 31 of the year preceding the filing of the report. Two copies of the report shall be filed with the executive director of the Legislative Commission on Pensions and Retirement and ten copies of the report shall be filed with the director of the Legislative Reference Library.

Subd. 2. **Contents of report.** The report shall include the aggregate totals for all volunteer firefighters' relief associations directly associated with the municipal fire departments and all volunteer firefighters' relief associations subsidiary to independent nonprofit firefighting corporations, the aggregate totals by the various benefit types and the individual results for each volunteer firefighters' relief association listed by various benefit types specified in subdivision 3. The following items shall be reported in each instance:

- (1) amount of accrued liability,
- (2) amount of assets,
- (3) amount of surplus or unfunded accrued liability,
- (4) funding ratio,
- (5) amount of annual accruing liability or normal cost,
- (6) amount of annual required contribution to amortize the unfunded accrued liability,
- (7) amount of total required contribution,
- (8) amount of fire state aid,
- (9) amount of any municipal contributions,
- (10) amount of administrative expenses,
- (11) amount of service pension disbursements,
- (12) amount of other retirement benefit disbursements,
- (13) number of active members,
- (14) number of retired members,
- (15) number of deferred members,
- (16) amount of fidelity bond of secretary and treasurer,
- (17) amount of lump sum or monthly service pension accrued per year of service credit,
- (18) minimum retirement age required for commencement of a service pension,
- (19) minimum years of active service credit required for commencement of service pension,
- (20) minimum years of active membership credit required for commencement of service pension,
- (21) type and amount of other retirement benefits.

Subd. 3. **Benefit categories.** For purposes of compiling the report required by this section, the various benefit types shall be as follows:

- (1) volunteer firefighters' relief associations paying a lump sum service pension of:
 - (i) less than \$50 per year of service,
 - (ii) \$50 or more, but less than \$100 per year of service,
 - (iii) \$100 or more, but less than \$200 per year of service,
 - (iv) \$200 or more, but less than \$300 per year of service,
 - (v) \$300 or more per year of service;
- (2) volunteer firefighters' relief associations paying a monthly benefit service pension of:
 - (i) less than \$2 per month per year of service,
 - (ii) \$2 or more per month per year of service;

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- (3) volunteer firefighters' relief associations paying a defined contribution service pension;
- (4) volunteer firefighters' relief associations paying no service pension.

History: 1979 c 201 s 20; 1986 c 359 s 3,26

Minnesota Statutes
Chapter 13D

Open Meeting Law

(§ 13D.01)

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13D.01 Meetings must be open to the public; exceptions.

Subdivision 1. **In executive branch, local government.** All meetings, including executive sessions, must be open to the public

- (a) of a state
 - (1) agency,
 - (2) board,
 - (3) commission, or
 - (4) department,

when required or permitted by law to transact public business in a meeting;

- (b) of the governing body of a
 - (1) school district however organized,
 - (2) unorganized territory,
 - (3) county,
 - (4) statutory or home rule charter city,
 - (5) town, or
 - (6) other public body;

- (c) of any
 - (1) committee,
 - (2) subcommittee,
 - (3) board,
 - (4) department, or
 - (5) commission,

of a public body; and

- (d) of the governing body or a committee of:

- (1) a statewide public pension plan defined in section 356A.01, subdivision 24; or
- (2) a local public pension plan governed by section 69.77, sections 69.771 to 69.775, or chapter 354A, 422A, or 423B.

Subd. 2. **Exceptions.** This chapter does not apply

- (1) to meetings of the commissioner of corrections;
- (2) to a state agency, board, or commission when it is exercising quasi-judicial functions involving disciplinary proceedings; or
- (3) as otherwise expressly provided by statute.

Subd. 3. **Subject of and grounds for closed meeting.** Before closing a meeting, a public body shall state on the record the specific grounds permitting the meeting to be closed and describe the subject to be discussed.

Subd. 4. **Votes to be kept in journal.** (a) The votes of the members of the state agency, board, commission, or department; or of the governing body, committee, subcommittee, board, department, or commission on an action taken in a meeting required by this section to be open to the public must be recorded in a journal kept for that purpose.

(b) The vote of each member must be recorded on each appropriation of money, except for payments of judgments, claims, and amounts fixed by statute.

Subd. 5. **Public access to journal.** The journal must be open to the public during all normal business hours where records of the public body are kept.

Subd. 6. **Public copy of members' materials.** (a) In any meeting which under subdivisions 1, 2, 4, and 5, and section 13D.02 must be open to the public, at least one copy of any printed materials relating to the agenda items of the meeting prepared or distributed by or at the direction of the governing body or its employees and:

- (1) distributed at the meeting to all members of the governing body;
- (2) distributed before the meeting to all members; or
- (3) available in the meeting room to all members;

shall be available in the meeting room for inspection by the public while the governing body considers their subject matter.

(b) This subdivision does not apply to materials classified by law as other than public as defined in chapter 13, or to materials relating to the agenda items of a closed meeting held in accordance with the procedures in section 13D.03 or other law permitting the closing of meetings.

History: 1957 c 773 s 1; 1967 c 462 s 1; 1973 c 123 art 5 s 7; 1973 c 654 s 15; 1973 c 680 s 1,3; 1975 c 271 s 6; 1981 c 174 s 1; 1983 c 137 s 1; 1983 c 274 s 18; 1984 c 462 s 27; 1987 c 313 s 1; 1990 c 550 s 2,3; 1991 c 292 art 8 s 12; 1991 c 319 s 22; 1994 c 618 art 1 s 39; 1997 c 154 s 2; 1Sp2001 c 10 art 4 s 1

Minnesota Statutes
Chapter 69

**Fire and Police Department
Aid; Relief Associations**

(§§ 69.031, 69.051, 69.39,
69.77 through 69.80)

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69.031 Commissioner of finance's warrant, appropriation, payment and administration.

Subdivision 1. **Commissioner of finance's warrant.** The commissioner of finance shall issue to the county, municipality, or independent nonprofit firefighting corporation certified to the commissioner of finance by the commissioner a warrant for an amount equal to the amount of fire state aid or police state aid, whichever applies, certified for the applicable state aid recipient by the commissioner under section 69.021. The amount of state aid due and not paid by October 1 accrues interest at the rate of one percent for each month or part of a month the amount remains unpaid, beginning the preceding July 1.

Subd. 2. [Repealed, 1Sp1985 c 13 s 376]

Subd. 3. **Appropriations.** There is hereby appropriated annually from the state general fund to the commissioner of revenue an amount sufficient to make the police and fire state aid payments specified in this section and section 69.021.

Subd. 4. [Repealed, 1Sp1986 c 1 art 4 s 48]

Subd. 5. **Deposit of state aid.** (a) The municipal treasurer shall, within 30 days after receipt, transmit the fire state aid to the treasurer of the duly incorporated firefighters' relief association if there is one organized and the association has filed a financial report with the municipality. If the relief association has not filed a financial report with the municipality, the municipal treasurer shall delay transmission of the fire state aid to the relief association until the complete financial report is filed. If there is no relief association organized, or if the association has dissolved, or has been removed as trustees of state aid, then the treasurer of the municipality shall deposit the money in the municipal treasury as provided for in section 424A.08 and the money may be disbursed only for the purposes and in the manner set forth in that section.

(b) The municipal treasurer, upon receipt of the police state aid, shall disburse the police state aid in the following manner:

(1) For a municipality in which a local police relief association exists and all peace officers are members of the association, the total state aid must be transmitted to the treasurer of the relief association within 30 days of the date of receipt, and the treasurer of the relief association shall immediately deposit the total state aid in the special fund of the relief association;

(2) For a municipality in which police retirement coverage is provided by the public employees police and fire fund and all peace officers are members of the fund, including municipalities covered by section 353.665, the total state aid must be applied toward the municipality's employer contribution to the public employees police and fire fund under sections 353.65, subdivision 3, and 353.665, subdivision 8, paragraph (b), if applicable; or

(3) For a municipality other than a city of the first class with a population of more than 300,000 in which both a police relief association exists and police retirement coverage is provided in part by the public employees police and fire fund, the municipality may elect at its option to transmit the total state aid to the treasurer of the relief association as provided in clause (1), to use the total state aid to apply toward the municipality's employer contribution to the public employees police and fire fund subject to all the provisions set forth in clause (2), or to allot the total state aid proportionately to be transmitted to the police relief association as provided in this subdivision and to apply toward the municipality's employer contribution to the public employees police and fire fund subject to the provisions of clause (2) on the basis of the respective number of active full-time peace officers, as defined in section 69.011, subdivision 1, clause (g).

For a city of the first class with a population of more than 300,000, in addition, the city may elect to allot the appropriate portion of the total police state aid to apply toward the employer contribution of the city to the public employees police and fire fund based on the covered salary of police officers covered by the fund each payroll period and to transmit the balance to the police relief association; or

(4) For a municipality in which police retirement coverage is provided in part by the public employees police and fire fund and in part by a local police consolidation account governed by chapter 353A and established before March 2, 1999, for which the municipality declined merger under section 353.665, subdivision 1, or established after March 1, 1999, the total police state aid must be applied towards the municipality's total employer contribution to the public employees police and fire fund and to the local police consolidation account under sections 353.65, subdivision 3, and 353A.09, subdivision 5.

(c) The county treasurer, upon receipt of the police state aid for the county, shall apply the total state aid toward the county's employer contribution to the public employees police and fire fund under section 353.65, subdivision 3.

(d) The designated metropolitan airports commission official, upon receipt of the police state aid for the metropolitan airports commission, shall apply the total police state aid first toward the commission's employer contribution for police officers to the Minneapolis employees retirement fund under section 422A.101, subdivision 2a, and, if there is any amount of police state aid remaining, shall apply that remainder toward the commission's employer contribution for police officers to the public employees police and fire plan under section 353.65, subdivision 3.

(e) The police state aid apportioned to the departments of public safety and natural resources under section 69.021, subdivision 7a, is appropriated to the commissioner of finance for transfer to the funds and accounts from which the salaries of peace officers certified under section 69.011, subdivision 2a, are paid. The commissioner of revenue shall certify to the commissioners of public safety, natural resources, and finance the amounts to be transferred from the appropriation for police state aid. The commissioners of public safety and natural resources shall certify to the commissioner of finance the amounts to be credited to each of the funds and accounts from which the peace officers employed by their respective departments are paid. Each commissioner must allocate the police state aid first for employer contributions for employees funded from the general fund and then for employer contributions for employees funded from other funds. For peace officers whose salaries are paid from the general fund, the amounts transferred from the appropriation for police state aid must be canceled to the general fund.

Subd. 6. [Repealed, 1984 c 592 s 94]

History: 1969 c 399 s 1; 1969 c 1001 s 4; 1971 c 695 s 3,4; Ex1971 c 6 s 8; 1973 c 492 s 14; 1976 c 315 s 7; 1977 c 429 s 9,63; 1981 c 68 s 9; 1981 c 224 s 20,21; 1Sp1981 c 4 art 1 s 59; 1982 c 424 s 15; 1984 c 558 art 1 s 9; 1984 c 655 art 2 s 12 subd 1; 1Sp1985 c 13 s 192; 1986 c 359 s 8; 1986 c 444; 1Sp1986 c 1 art 4 s 5,6; 1988 c 719 art 2 s 5; 1989 c 319 art 6 s 2; art 19 s 2; 1992 c 596 s 3; 1994 c 632 art 3 s 48; 1996 c 390 s 29,30; 1997 c 233 art 1 s 13; 1997 c 241 art 1 s 9-11; 1999 c 222 art 4 s 3

69.051 Financial report, bond, examination.

Subdivision 1. **Financial report and audit.** The board of each salaried firefighters relief association, police relief association, and volunteer firefighters relief association as defined in section 424A.001, subdivision 4, with assets of at least \$200,000 or liabilities of at least \$200,000 in the prior year or in any previous year, according to the applicable actuarial valuation or financial report if no valuation is required, shall:

(1) prepare a financial report covering the special and general funds of the relief association for the preceding fiscal year on a form prescribed by the state auditor. The financial report must contain financial statements and disclosures which present the true financial condition of the relief association and the results of relief association operations in conformity with generally accepted accounting principles and in compliance with the regulatory, financing and funding provisions of this chapter and any other applicable laws. The financial report must be countersigned by the municipal clerk or clerk-treasurer of the municipality in which the relief association is located if the relief association is a firefighters relief association which is directly associated with a municipal fire department or is a police relief association, or countersigned by the secretary of the independent nonprofit firefighting corporation and by the municipal clerk or clerk-treasurer of the largest municipality in population which contracts with the independent nonprofit firefighting corporation if the volunteer firefighter relief association is a subsidiary of an independent nonprofit firefighting corporation;

(2) file the financial report in its office for public inspection and present it to the city council after the close of the fiscal year. One copy of the financial report must be furnished to the state auditor after the close of the fiscal year; and

(3) submit to the state auditor audited financial statements which have been attested to by a certified public accountant, public accountant, or the state auditor within 180 days after the close of the fiscal year. The state auditor may accept this report in lieu of the report required in clause (2).

Subd. 1a. Financial statement. (a) The board of each volunteer firefighters relief association, as defined in section 424A.001, subdivision 4, that is not required to file a financial report and audit under subdivision 1 must prepare a detailed statement of the financial affairs for the preceding fiscal year of the relief association's special and general funds in the style and form prescribed by the state auditor. The detailed statement must show the sources and amounts of all money received; all disbursements, accounts payable and accounts receivable; the amount of money remaining in the treasury; total assets including a listing of all investments; the accrued liabilities; and all items necessary to show accurately the revenues and expenditures and financial position of the relief association.

(b) The detailed financial statement required under paragraph (a) must be certified by an independent public accountant or auditor or by the auditor or accountant who regularly examines or audits the financial transactions of the municipality. In addition to certifying the financial condition of the special and general funds of the relief association, the accountant or auditor conducting the examination shall give an opinion as to the condition of the special and general funds of the relief association, and shall comment upon any exceptions to the report. The independent accountant or auditor must have at least five years of public accounting, auditing, or similar experience, and must not be an active, inactive, or retired member of the relief association or the fire or police department.

(c) The detailed statement required under paragraph (a) must be countersigned by the municipal clerk or clerk-treasurer of the municipality, or, where applicable, by the secretary of the independent nonprofit firefighting corporation and by the municipal clerk or clerk-treasurer of the largest municipality in population which contracts with the independent nonprofit firefighting corporation if the relief association is a subsidiary of an independent nonprofit firefighting corporation.

(d) The volunteer firefighters' relief association board must file the detailed statement required under paragraph (a) in the relief association office for public inspection and present it to the city council within 45 days after the close of the fiscal year, and must submit a copy of the detailed statement to the state auditor within 90 days of the close of the fiscal year.

Subd. 1b. Qualification. The state auditor may, upon a demonstration by a relief association of hardship or inability to conform, extend the deadline for reports under subdivisions 1 or 1a, but not beyond November 30th following the due date. If the reports are not received by November 30th, the municipality or relief association will forfeit its current year state aid, and until the state auditor receives

the required information, the relief or municipality will be ineligible to receive any future state aid. A municipality or police or firefighters' relief association shall not qualify initially to receive, or be entitled subsequently to retain, state aid pursuant to this chapter if the financial reporting requirement or the applicable requirements of this chapter or any other statute or special law have not been complied with or are not fulfilled.

Subd. 1c. **Notification of secretary of state.** The state auditor annually shall provide the secretary of state with a list of the names of the volunteer firefighter relief associations that comply with the requirements of subdivision 1 or 1a. The information provided must also include, for each volunteer firefighter relief association, the office address and the name of the person functioning as president.

Subd. 2. **Treasurers bond.** No treasurer of a relief association governed by section 69.77 shall enter upon duties without having given the association a bond in a reasonable amount acceptable to the municipality for the faithful discharge of duties according to law. No treasurer of a relief association governed by sections 69.771 to 69.776 shall enter upon the duties of the office until the treasurer has given the association a good and sufficient bond in an amount equal to at least ten percent of the assets of the relief association; however, the amount of the bond need not exceed \$500,000.

Subd. 3. **Report by certain municipalities.** Each municipality which has an organized fire department but which does not have a firefighters' relief association shall annually prepare a detailed financial report of the receipts and disbursements by the municipality for fire protection service during the preceding calendar year, on a form prescribed by the state auditor. The financial report shall contain any information which the state auditor deems necessary to disclose the sources of receipts and the purpose of disbursements for fire protection service. The financial report shall be signed by the municipal clerk or clerk-treasurer of the municipality. The financial report shall be filed by the municipal clerk or clerk-treasurer with the state auditor on or before July 1 annually. The state auditor shall forward one copy to the county auditor of the county wherein the municipality is located. The municipality shall not qualify initially to receive, or be entitled subsequently to retain, state aid pursuant to this chapter if the financial reporting requirement or the applicable requirements of this chapter or any other statute or special law have not been complied with or are not fulfilled.

Subd. 4. **Notification by commissioner and state auditor.** The state auditor in performing an audit or examination shall notify the legislative commission on pensions and retirement if the audit or examination reveals malfeasance, misfeasance, or nonfeasance in office.

The commissioner shall notify the legislative commission on pensions and retirement if the state auditor has not filed the required financial compliance reports by July 1.

History: 1969 c 1001 s 5; 1971 c 695 s 6; Ex1971 c 6 s 9; 1973 c 492 s 7; 1977 c 429 s 63; 1981 c 224 s 22,274; 1982 c 460 s 3,4; 1983 c 113 s 2,3; 1986 c 359 s 9; 1986 c 444; 1993 c 86 s 1; 1997 c 241 art 10 s 1-3; 1Sp2005 c 8 art 9 s 1,2

69.39 [Repealed, 2002 c 392 art 1 s 9]

69.77 Police and Firefighters' Relief Association Guidelines Act.

Subdivision 1. **Conditioned employer support for a relief association.** (a) Notwithstanding any law to the contrary, only if the municipality and the relief association comply with the provisions of

this section, a municipality may contribute public funds, including any applicable police or fire state aid, or levy property taxes for the support of a police or firefighters' relief association, enumerated in subdivision 1a, however organized, which provides retirement coverage or pays a service pension to a retired police officer or firefighter or a retirement benefit to a surviving dependent of either an active or retired police officer or firefighter, for the operation and maintenance of the relief association.

(b) The commissioner shall not include in the apportionment of police or fire state aid to the county auditor under section 69.021, subdivision 6, any municipality in which there exists a local police or salaried firefighters' relief association as enumerated in subdivision 1a which does not comply with the provisions of this section or the provisions of any applicable special law relating to the funding or financing of the association and that municipality may not qualify initially to receive, or be entitled subsequently to retain, state aid under sections 69.011 to 69.051 until the reason for the disqualification is remedied, whereupon the municipality, if otherwise qualified, is entitled to again receive state aid for the year occurring immediately subsequent to the year in which the disqualification is remedied.

(c) The state auditor and the commissioner shall determine if a municipality with a local police or salaried firefighters' relief association fails to comply with the provisions of this section or the funding or financing provisions of any applicable special law.

Subd. 1a. **Covered retirement plans.** The provisions of this section apply to the following local retirement plans:

- (1) the Bloomington firefighters relief association;
- (2) the Fairmont police relief association;
- (3) the Minneapolis firefighters relief association;
- (4) the Minneapolis police relief association; and
- (5) the Virginia fire department relief association.

Subd. 2. **Inapplicable penalty.** The penalty provided for in subdivision 1 does not apply to a relief association enumerated in subdivision 1a if the requirements of subdivisions 3 to 10 are met.

- Subd. 2a. [Renumbered subd 3]
- Subd. 2b. [Renumbered subd 4]
- Subd. 2c. [Renumbered subd 5]
- Subd. 2d. [Renumbered subd 6]
- Subd. 2e. [Renumbered subd 7]
- Subd. 2f. [Renumbered subd 8]
- Subd. 2g. [Renumbered subd 9]
- Subd. 2h. [Renumbered subd 10]
- Subd. 2i. [Renumbered subd 11]
- Subd. 3. [Renumbered subd 13]

Subd. 3. **Minimum member contribution.** Each active member of the relief association must pay into the special fund of the association during a year of covered service, a contribution for retirement coverage, including survivorship benefits, of not less than eight percent of the maximum rate of salary upon which retirement coverage is credited and service pension and retirement benefit amounts are determined. The member contributions must be made by payroll deduction from the salary of the member by the municipality, and must be transmitted by the municipality to the relief association as soon as practical. The relief association shall deposit the member contribution to the credit of the special fund of the relief association. The member contribution requirement specified in this subdivision does not apply to any members who are volunteer firefighters.

Subd. 4. **Relief association financial requirements; minimum municipal obligation.** (a) The officers of the relief association shall determine the financial requirements of the relief association and minimum obligation of the municipality for the following calendar year in accordance with the requirements of this subdivision. The financial requirements of the relief association and the minimum obligation of the municipality must be determined on or before the submission date established by the municipality under subdivision 5.

(b) The financial requirements of the relief association for the following calendar year must be based on the most recent actuarial valuation or survey of the special fund of the association if more than one fund is maintained by the association, or of the association, if only one fund is maintained, prepared in accordance with sections 356.215, subdivisions 4 to 15, and 356.216, as required under subdivision 10. If an actuarial estimate is prepared by the actuary of the relief association as part of obtaining a modification of the benefit plan of the relief association and the modification is implemented, the actuarial estimate must be used in calculating the subsequent financial requirements of the relief association.

(c) If the relief association has an unfunded actuarial accrued liability as reported in the most recent actuarial valuation or survey, the total of the amounts calculated under clauses (1), (2), and (3), constitute the financial requirements of the relief association for the following year. If the relief association does not have an unfunded actuarial accrued liability as reported in the most recent actuarial valuation or survey, the amount calculated under clauses (1) and (2) constitute the financial requirements of the relief association for the following year. The financial requirement elements are:

(1) the normal level cost requirement for the following year, expressed as a dollar amount, which must be determined by applying the normal level cost of the relief association as reported in the actuarial valuation or survey and expressed as a percentage of covered payroll to the estimated covered payroll of the active membership of the relief association, including any projected change in the active membership, for the following year;

(2) for the Bloomington fire department relief association, the Fairmont police relief association, and the Virginia fire department relief association, to the dollar amount of normal cost determined under clause (1) must be added an amount equal to the dollar amount of the administrative expenses of the special fund of the association if more than one fund is maintained by the association, or of the association if only one fund is maintained, for the most recent year, multiplied by the factor of 1.035. The administrative expenses are those authorized under section 69.80. No amount of administrative expenses under this clause are to be included in the financial requirements of the Minneapolis firefighters relief association or the Minneapolis police relief association; and

(3) to the dollar amount of normal cost and expenses determined under clauses (1) and (2) must be added an amount equal to the level annual dollar amount which is sufficient to amortize the unfunded actuarial accrued liability by December 31, 2010, as determined from the actuarial valuation or survey of the fund, using an interest assumption set at the applicable rate specified in section 356.215, subdivision 8. The amortization date specified in this clause applies to all local police or salaried firefighters' relief associations and that date supersedes any amortization date specified in any applicable special law.

(d) The minimum obligation of the municipality is an amount equal to the financial requirements of the relief association reduced by the estimated amount of member contributions from covered salary anticipated for the following calendar year and the estimated amounts anticipated for the following calendar year from the applicable state aid program established under sections 69.011 to 69.051 receivable by the relief association after any allocation made under section 69.031, subdivision 5, paragraph (b), clause (2), or 423A.01, subdivision 2, clause (6), from the local police and salaried firefighters' relief association amortization aid program established under section 423A.02, subdivision 1, from the supplementary amortization state-aid program established under section 423A.02, subdivision 1a, and from the additional amortization state aid under section 423A.02, subdivision 1b.

Subd. 5. **Determination submission.** The officers of the relief association shall submit the determination of the financial requirements of the relief association and of the minimum obligation of the municipality to the governing body on or before the date established by the municipality, which may not be earlier than August 1 and may not be later than September 1 of each year. The governing body of the municipality must ascertain whether or not the determinations were prepared in accordance with law.

Subd. 6. **Municipal payment.** (a) The municipality shall provide for and shall pay, each year, at least the amount of the minimum obligation of the municipality to the relief association.

(b) If there is any deficiency in the municipal payment to meet the minimum obligation of the municipality as of the end of any calendar year, the amount of the deficiency must be added to the minimum obligation of the municipality for the following year calculated under subdivision 4 and must include interest at the compound rate of six percent per annum from the date that the municipality was required to make payment under this subdivision until the date that the municipality actually makes the required payment.

Subd. 7. **Budget inclusion.** (a) The municipality shall provide in the annual municipal budget for at least the minimum obligation of the municipality calculated under subdivision 4.

(b) The municipality may levy taxes for the payment of the minimum obligation of the municipality without any limitation as to rate or amount and irrespective of limitations imposed by other provisions of law upon the rate or amount of taxation when the balance of the special fund or any fund of the relief association has attained a specified minimum asset level. In addition, any taxes levied under this section may not cause the amount or rate of other taxes levied in that year or to be levied in a subsequent year by the municipality which are subject to a limitation as to rate or amount to be reduced.

(c) If the municipality does not include the full amount of the minimum obligation of the municipality in the levy that the municipality certified to the county auditor in any year, the officers of the relief association shall certify the amount of any deficiency to the county auditor. Upon verifying the existence of any deficiency in the levy certified by the municipality, the county auditor shall spread a levy over the taxable property of the municipality in the amount of the deficiency certified to by the officers of the relief association.

Subd. 8. **Accelerated amortization.** Any sums of money paid by the municipality to the relief association in excess of the minimum obligation of the municipality in any year must be used to amortize any unfunded actuarial accrued liabilities of the relief association.

Subd. 9. **Local police and paid fire relief association investment authority.** (a) The funds of the association must be invested in securities that are authorized investments under section 356A.06, subdivision 6 or 7, whichever applies. Up to 75 percent of the market value of the assets of the fund may be invested in open-end investment companies registered under the federal Investment Company Act of 1940, if the portfolio investments of the investment companies comply with the type of securities authorized for investment under section 356A.06, subdivision 7. Securities held by the association before June 2, 1989, that do not meet the requirements of this subdivision may be retained after that date if they were proper investments for the association on that date.

(b) The governing board of the association may select and appoint investment agencies to act for and in its behalf or may certify special fund assets for investment by the state board of investment under section 11A.17. The governing board of the association may certify general fund assets of the relief association for investment by the state board of investment in fixed income pools or in a separately managed account at the discretion of the state board of investment as provided in section 11A.14. The governing board of the association may select and appoint a qualified private firm to measure management performance and return on investment, and the firm shall use the formula or formulas developed by the state board under section 11A.04, clause (11).

Subd. 10. **Actuarial valuation required.** The association shall obtain an actuarial valuation showing the condition of the special fund of the relief association under sections 356.215 and 356.216 and any applicable standards for actuarial work established by the legislative commission on pensions and retirement. The actuarial valuation must be made as of December 31 of every year. A copy of the actuarial valuation must be filed with the director of the legislative reference library, the governing body of the municipality in which the association is organized, the executive director of the legislative commission on pensions and retirement, and the state auditor, not later than July 1 of the following year.

Subd. 11. **Municipal approval of benefit changes required.** Any amendment to the bylaws or articles of incorporation of a relief association which increases or otherwise affects the retirement coverage provided by or the service pensions or retirement benefits payable from any police or firefighters' relief association enumerated in subdivision 1a is not effective until it is ratified by the municipality in which the relief association is located. The officers of the relief association shall not seek municipal ratification before obtaining either an updated actuarial valuation including the proposed amendment or an estimate of the expected actuarial impact of the proposed amendment prepared by the actuary of the relief association and submitting that actuarial valuation or estimate to the clerk of the municipality.

Subd. 12. **Application of other laws to contribution rate.** In the absence of any specific provision to the contrary, no general or special law previously enacted may be construed as reducing the levy amount or rate of contribution to a police or firefighters relief association to which subdivision 1a applies, by a municipality or member of the association, which is required as a condition for the use of public funds or the levy of taxes for the support of the association. Each association, the municipality in which it is organized, and the officers of each, are authorized to do all things required by this section as a condition for the use of public funds or the levy of taxes for the support of the association.

Subd. 13. **Citation.** This section may be cited as the "Police and Firefighters' Relief Associations Guidelines Act of 1969."

History: 1969 c 223 s 1,2; 1971 c 11 s 1; 1971 c 329 s 1; 1973 c 129 s 6; 1973 c 772 s 2; 1974 c 152 s 10; 1975 c 271 s 6; 1977 c 429 s 63; 1978 c 563 s 1-3; 1980 c 341 s 1; 1980 c 607 art 14 s 27; art 15 s 2; 1981 c 208 s 7; 1981 c 224 s 23-26; 1982 c 460 s 5; 1982 c 578 art 3 s 2; 1983 c 71 s 1; 1983 c 289 s 114 subd 1; 1983 c 291 s 2; 1984 c 574 s 2; 1984 c 655 art 1 s 92; 1Sp1985 c 7 s 35; 1986 c 356 s 6; 1986 c 359 s 10; 1987 c 259 s 6,7; 1989 c 319 art 8 s 7; art 19 s 3; 1993 c 300 s 8; 1994 c 604 art 2 s 1; 2002 c 377 art 6 s 1; 2002 c 392 art 1 s 1; art 11 s 52; 1Sp2005 c 8 art 11 s 1

69.771 Volunteer Firefighters' Relief Association Financing Guidelines Act; application.

Subdivision 1. **Covered relief associations.** The applicable provisions of sections 69.771 to 69.776 apply to any firefighters' relief association other than a relief association enumerated in section 69.77, subdivision 1a, which is organized under any laws of this state, which is composed of volunteer firefighters or is composed partially of volunteer firefighters and partially of salaried firefighters with retirement coverage provided by the public employees police and fire fund and which, in either case, operates subject to the service pension minimum requirements for entitlement and maximums contained in section 424A.02, or subject to a special law modifying those requirements or maximums.

Subd. 2. **Authorized employer support for a relief association.** Notwithstanding any law to the contrary, a municipality may lawfully contribute public funds, including the transfer of any applicable fire state aid, or may levy property taxes for the support of a firefighters' relief association specified in subdivision 1, however organized, which provides retirement coverage or pays a service pension to retired firefighter or a retirement benefit to a disabled firefighter or a surviving dependent of either an active or retired firefighter for the operation and maintenance of the relief association only if the municipality and the relief association both comply with the applicable provisions of sections 69.771 to 69.776.

Subd. 3. **Remedy for noncompliance; determination.** (a) A municipality in which there exists a firefighters' relief association as specified in subdivision 1 which does not comply with the applicable provisions of sections 69.771 to 69.776 or the provisions of any applicable special law relating to the funding or financing of the association does not qualify initially to receive, and is not entitled subsequently to retain, fire state aid under sections 69.011 to 69.051 until the reason for the disqualification specified by the state auditor is remedied, whereupon the municipality or relief association, if otherwise qualified, is entitled to again receive fire state aid for the year occurring immediately subsequent to the year in which the disqualification is remedied.

(b) The state auditor shall determine if a municipality to which a firefighters' relief association is directly associated or a firefighters' relief association fails to comply with the provisions of sections 69.771 to 69.776 or the funding or financing provisions of any applicable special law based upon the information contained in the annual financial report of the firefighters' relief association required under section 69.051, the actuarial valuation of the relief association, if applicable, the relief association officers' financial requirements of the relief association and minimum municipal obligation determination documentation under section 69.772, subdivisions 3 and 4; 69.773, subdivisions 4 and 5; or 69.774, subdivision 2, if requested to be filed by the state auditor, the applicable municipal or nonprofit firefighting corporation budget, if requested to be filed by the state auditor, and any other relevant documents or reports obtained by the state auditor.

(c) The municipality or nonprofit firefighting corporation and the associated relief association are not eligible to receive or to retain fire state aid if:

(1) the relief association fails to prepare or to file the financial report or financial statement under section 69.051;

(2) the relief association treasurer is not bonded in the manner and in the amount required by section 69.051, subdivision 2;

(3) the relief association officers fail to determine or improperly determine the accrued liability and the annual accruing liability of the relief association under section 69.772, subdivisions 2, 2a, and 3, paragraph (c), clause (2), if applicable;

(4) if applicable, the relief association officers fail to obtain and file a required actuarial valuation or the officers file an actuarial valuation that does not contain the special fund actuarial liability calculated under the entry age normal actuarial cost method, the special fund current assets, the special fund unfunded actuarial accrued liability, the special fund normal cost under the entry age normal actuarial cost method, the amortization requirement for the special fund unfunded actuarial accrued liability by the applicable target date, a summary of the applicable benefit plan, a summary of the membership of the relief association, a summary of the actuarial assumptions used in preparing the valuation, and a signed statement by the actuary attesting to its results and certifying to the qualifications of the actuary as an approved actuary under section 356.215, subdivision 1, paragraph (c);

(5) the municipality failed to provide a municipal contribution, or the nonprofit firefighting corporation failed to provide a corporate contribution, in the amount equal to the minimum municipal obligation if the relief association is governed under section 69.772, or the amount necessary, when added to the fire state aid actually received in the plan year in question, to at least equal in total the calculated annual financial requirements of the special fund of the relief association if the relief

association is governed under section 69.773, and, if the municipal or corporate contribution is deficient, the municipality failed to include the minimum municipal obligation certified under section 69.772, subdivision 3, or 69.773, subdivision 5, in its budget and tax levy or the nonprofit firefighting corporation failed to include the minimum corporate obligation certified under section 69.774, subdivision 2, in the corporate budget;

(6) the relief association did not receive municipal ratification for the most recent plan amendment when municipal ratification was required under section 69.772, subdivision 6; 69.773, subdivision 6; or 424A.02, subdivision 10;

(7) the relief association invested special fund assets in an investment security that is not authorized under section 69.775;

(8) the relief association had an administrative expense that is not authorized under section 69.80 or 424A.05, subdivision 3, or the municipality had an expenditure that is not authorized under section 424A.08;

(9) the relief association officers fail to provide a complete and accurate public pension plan investment portfolio and performance disclosure under section 356.219;

(10) the relief association fails to obtain the acknowledgment from a broker of the statement of investment restrictions under section 356A.06, subdivision 8b;

(11) the relief association officers permitted to occur a prohibited transaction under section 356A.06, subdivision 9, or 424A.001, subdivision 7, or failed to undertake correction of a prohibited transaction that did occur; or

(12) the relief association pays a defined benefit service pension in an amount that is in excess of the applicable service pension maximum under section 424A.02, subdivision 3.

History: 1971 c 261 s 1; 1977 c 429 s 63; 1979 c 201 s 1; 1980 c 509 s 19; 1982 c 460 s 6; 1983 c 289 s 114 subd 1; 1984 c 655 art 1 s 92; 1990 c 480 art 6 s 4; 1Sp2005 c 8 art 9 s 3

69.772 Relief associations paying lump sum service pensions.

Subdivision 1. **Application.** This section shall apply to any firefighters' relief association specified in section 69.771, subdivision 1, which pays a lump sum service pension, but which does not pay a monthly service pension, to a retiring firefighter when at least the minimum requirements for entitlement to a service pension specified in section 424A.02, or any applicable special legislation and the articles of incorporation or bylaws of the relief association have been met. Each firefighters' relief association to which this section applies shall determine the accrued liability of the special fund of the relief association in accordance with the accrued liability table set forth in subdivision 2 and the financial requirements of the relief association and the minimum obligation of the municipality in accordance with the procedure set forth in subdivision 3.

Subd. 2. **Determination of accrued liability.** Each firefighters' relief association which pays a service pension when a retiring firefighter meets the minimum requirements for entitlement to a service pension specified in section 424A.02 and which in its articles of incorporation or bylaws requires service credit for a period of service of at least 20 years of active service for a totally nonforfeitable service pension shall determine the accrued liability of the special fund of the firefighters' relief association relative to each active or deferred member of the relief association, calculated individually using the following table:

Cumulative Year	Accrued Liability	Cumulative Year	Accrued Liability
.....	11	\$ 858
1	\$ 60	12	962
2	124	13	1070
3	190	14	1184
4	260	15	1304
5	334	16	1428
6	410	17	1560
7	492	18	1698
8	576	19	1844
9	666	20	2000
10	760	21 and thereafter	100 additional per year

As set forth in the table the accrued liability for each member of the relief association corresponds to the cumulative years of active service to the credit of the member. The accrued liability of the special fund for each active member is determined by multiplying the accrued liability from the chart by the ratio of the lump sum service pension amount currently provided for in the bylaws of the relief association to a service pension of \$100 per year of service. If a member has fractional service as of December 31, the figure for service credit to be used for the determination of accrued liability pursuant to this section shall be rounded to the nearest full year of service credit. The total accrued liability of the special fund as of December 31 shall be the sum of the accrued liability attributable to each active member of the relief association.

To the extent that the state auditor considers it to be necessary or practical, the state auditor may specify and issue procedures, forms, or mathematical tables for use in performing the calculations of the accrued liability for deferred members pursuant to this subdivision.

Subd. 2a. Determination of accrued liability for recipients of installment payments. Each firefighters' relief association which pays a lump sum service pension in installment payments to a retired firefighter pursuant to section 424A.02, subdivision 8, shall determine the accrued liability of the special fund of the firefighters' relief association relative to each retired member receiving a lump sum service pension in installment payments calculated individually as the sum of each future installment payment discounted at an interest rate of five percent, compounded annually, from the date the installment payment is scheduled to be paid to December 31. If the bylaws of the relief association provide for the payment of interest on unpaid installments, the amount of interest, projected to December 31, shall be added to the accrued liability attributable to each retired member. The sum of the accrued liability attributable to each retired member of the relief association receiving a lump sum service pension in installment payments shall be the total additional accrued liability of the special fund of the relief association as of December 31, and shall be added to the accrued liability of the special fund of the relief association calculated pursuant to subdivision 2 for purposes of calculating the financial requirements of the relief association and the minimum obligation of the municipality pursuant to subdivision 3.

To the extent that the state auditor deems it to be necessary or practical, the state auditor may specify and issue procedures, forms, or mathematical tables for use in performing the calculations required pursuant to this subdivision.

Subd. 3. Financial requirements of relief association; minimum obligation of municipality.

(a) During the month of July, the officers of the relief association shall determine the overall funding balance of the special fund for the current calendar year, the financial requirements of the special fund for the following calendar year and the minimum obligation of the municipality with respect to the special fund for the following calendar year in accordance with the requirements of this subdivision.

(b) The overall funding balance of the special fund for the current calendar year must be determined in the following manner:

(1) The total accrued liability of the special fund for all active and deferred members of the relief association as of December 31 of the current year must be calculated under subdivisions 2 and 2a, if applicable.

(2) The total present assets of the special fund projected to December 31 of the current year, including receipts by and disbursements from the special fund anticipated to occur on or before December 31, must be calculated. To the extent possible, for those assets for which a market value is readily ascertainable, the current market value as of the date of the calculation for those assets must be utilized in making this calculation. For any asset for which no market value is readily ascertainable, the cost value or the book value, whichever is applicable, must be utilized in making this calculation.

(3) The amount of the total present assets of the special fund calculated under clause (2) must be subtracted from the amount of the total accrued liability of the special fund calculated under clause (1). If the amount of total present assets exceeds the amount of the total accrued liability, then the special fund is considered to have a surplus over full funding. If the amount of the total present assets is less than the amount of the total accrued liability, then the special fund is considered to have a deficit from full funding. If the amount of total present assets is equal to the amount of the total accrued liability, then the special fund is considered to be fully funded.

(c) The financial requirements of the special fund for the following calendar year must be determined in the following manner:

(1) The total accrued liability of the special fund for all active and deferred members of the relief association as of December 31 of the calendar year next following the current calendar year must be calculated under subdivisions 2 and 2a, if applicable.

(2) The increase in the total accrued liability of the special fund for the following calendar year over the total accrued liability of the special fund for the current year must be calculated.

(3) The amount of anticipated future administrative expenses of the special fund must be calculated by multiplying the dollar amount of the administrative expenses of the special fund for the most recent prior calendar year by the factor of 1.035.

(4) If the special fund is fully funded, the financial requirements of the special fund for the following calendar year are the total of the amounts calculated under clauses (2) and (3).

(5) If the special fund has a deficit from full funding, the financial requirements of the special fund for the following calendar year are the financial requirements of the special fund calculated as though the special fund were fully funded under clause (4) plus an amount equal to one-tenth of the original amount of the deficit from full funding of the special fund as determined under clause (2) resulting either from an increase in the amount of the service pension occurring in the last ten years or from a net annual investment loss occurring during the last ten years until each increase in the deficit from full funding is fully retired. The annual amortization contribution under this clause may not exceed the amount of the deficit from full funding.

(6) If the special fund has a surplus over full funding, the financial requirements of the special fund for the following calendar year are the financial requirements of the special fund calculated as though the special fund were fully funded under clause (4) reduced by an amount equal to one-tenth of the amount of the surplus over full funding of the special fund.

(d) The minimum obligation of the municipality with respect to the special fund is the financial requirements of the special fund reduced by the amount of any fire state aid payable under sections 69.011 to 69.051 reasonably anticipated to be received by the municipality for transmittal to the special fund during the following calendar year, an amount of interest on the assets of the special fund projected to the beginning of the following calendar year calculated at the rate of five percent per annum, and the amount of any contributions to the special fund required by the relief association bylaws from the active members of the relief association reasonably anticipated to be received during the following calendar

year. A reasonable amount of anticipated fire state aid is an amount that does not exceed the fire state aid actually received in the prior year multiplied by the factor 1.035.

Subd. 4. Certification of financial requirements and minimum municipal obligation; levy.

(a) The officers of the relief association shall certify the financial requirements of the special fund of the relief association and the minimum obligation of the municipality with respect to the special fund of the relief association as determined under subdivision 3 to the governing body of the municipality on or before August 1 of each year. The financial requirements of the relief association and the minimum municipal obligation must be included in the financial report or financial statement under section 69.051.

(b) The municipality shall provide for at least the minimum obligation of the municipality with respect to the special fund of the relief association by tax levy or from any other source of public revenue.

(c) The municipality may levy taxes for the payment of the minimum municipal obligation without any limitation as to rate or amount and irrespective of any limitations imposed by other provisions of law upon the rate or amount of taxation until the balance of the special fund or any fund of the relief association has attained a specified level. In addition, any taxes levied under this section must not cause the amount or rate of any other taxes levied in that year or to be levied in a subsequent year by the municipality which are subject to a limitation as to rate or amount to be reduced.

(d) If the municipality does not include the full amount of the minimum municipal obligations in its levy for any year, the officers of the relief association shall certify that amount to the county auditor, who shall spread a levy in the amount of the certified minimum municipal obligation on the taxable property of the municipality.

(e) If the state auditor determines that a municipal contribution actually made in a plan year was insufficient under section 69.771, subdivision 3, paragraph (c), clause (5), the state auditor may request a copy of the certifications under this subdivision from the relief association or from the city. The relief association or the city, whichever applies, must provide the certifications within 14 days of the date of the request from the state auditor.

Subd. 5. Crediting of investment income; effect of excess interest. All investment income earned on the assets of the special fund of the relief association shall be credited to the special fund. Investment income earned or anticipated to be earned in a calendar year in excess of the assumed rate specified in subdivision 3, clause (3) shall not be included in the calculations of the financial requirements of the special fund of the relief association or the minimum obligation of the municipality with respect to the special fund of the relief association for that calendar year.

Subd. 6. Municipal ratification for plan amendments. If the special fund of the relief association does not have a surplus over full funding pursuant to subdivision 3, clause (2), subclause (e), or if the municipality is required to provide financial support to the special fund of the relief association pursuant to this section, the adoption of or any amendment to the articles of incorporation or bylaws of a relief association which increases or otherwise affects the retirement coverage provided by or the service pensions or retirement benefits payable from the special fund of any relief association to which this section applies shall not be effective until it is ratified by the governing body of the municipality in which the relief association is located and the officers of a relief association shall not seek municipal ratification prior to preparing and certifying an estimate of the expected increase in the accrued liability and annual accruing liability of the relief association attributable to the amendment. If the special fund of the relief association has a surplus over full funding pursuant to subdivision 3, clause (2), subclause (e), and if the municipality is not required to provide financial support to the special fund of the relief association pursuant to this section, the relief association may adopt or amend its articles of incorporation or bylaws which increase or otherwise affect the retirement coverage provided by or the

service pensions or retirement benefits payable from the special fund of the relief association which shall be effective without municipal ratification so long as this does not cause the amount of the resulting increase in the accrued liability of the special fund of the relief association to exceed 90 percent of the amount of the prior surplus over full funding and this does not result in the financial requirements of the special fund of the relief association exceeding the expected amount of the future fire state aid to be received by the relief association as 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 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 of the relief association 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 retirement 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.

History: 1971 c 261 s 2; 1973 c 772 s 3; 1977 c 171 s 2; 1977 c 429 s 63; 1978 c 562 s 1; 1979 c 201 s 2-8; 1981 c 224 s 27,28; 1982 c 421 s 1; 1982 c 465 s 1; 1983 c 219 s 1-3; 1983 c 289 s 114 subd 1; 1984 c 655 art 1 s 92; 1987 c 259 s 8; 1990 c 480 art 6 s 5; 1Sp2005 c 8 art 9 s 4,5

69.773 Relief associations paying monthly service pensions.

Subdivision 1. **Application.** (a) This section applies to any firefighters relief association specified in section 69.771, subdivision 1, which pays or allows for an option of a monthly service pension to a retiring firefighter when at least the minimum requirements for entitlement to a service pension specified in section 424A.02, any applicable special legislation and the articles of incorporation or bylaws of the relief association have been met. Each firefighters relief association to which this section applies shall determine the actuarial condition and funding costs of the special fund of the relief association in accordance with subdivisions 2 and 3, the financial requirements of the special fund of the relief association in accordance with subdivision 4 and the minimum obligation of the municipality with respect to the special fund of the relief association in accordance with subdivision 5.

(b) If a firefighters relief association that previously provided a monthly benefit service pension discontinues that practice and either replaces the monthly benefit amount with a lump sum benefit amount consistent with section 424A.02, subdivision 3, or purchases an annuity in the same amount as the monthly benefit from an insurance company licensed to do business in this state, the actuarial condition and funding costs, financial, and minimum municipal obligation requirements of section 69.772 apply rather than this section.

Subd. 2. **Determination of actuarial condition and funding costs.** A relief association to which this section applies shall obtain an actuarial valuation showing the condition of the special fund of the relief association as of December 31, 1978, and at least as of December 31 every four years thereafter. The valuation shall be prepared in accordance with the provisions of sections 356.215, subdivision 8, and 356.216 and any applicable standards for actuarial work established by the Legislative Commission on Pensions and Retirement, except that the figure for normal cost shall be expressed as a level dollar amount, and the amortization contribution shall be the level dollar amount calculated to amortize any current unfunded accrued liability by at least the date of full funding specified in subdivision 4, clause (b). Each valuation shall be filed with the governing body of the municipality in which the relief association is located and with the state auditor, not later than July 1 of the year next following the date as of which the actuarial valuation is prepared. Any relief association which is

operating under a special law which requires that actuarial valuations be obtained at least every four years and be prepared in accordance with applicable actuarial standards set forth in statute may continue to have actuarial valuations made according to the time schedule set forth in the special legislation subject to the provisions of subdivision 3.

Subd. 3. Valuation requirement upon benefit change. The officers of the relief association shall not seek municipal ratification of any amendments to the articles of incorporation or bylaws which increase or otherwise affect the retirement coverage provided by or the service pensions or retirement benefits payable from any relief association pursuant to subdivision 6 prior to obtaining either an updated actuarial valuation including the proposed amendment or an estimate of the expected actuarial impact of the proposed amendment prepared by the actuary of the relief association.

Subd. 4. Financial requirements of special fund. (a) On or before August 1 of each year, the officers of the relief association shall determine the financial requirements of the special fund of the relief association in accordance with the requirements of this subdivision.

(b) The financial requirements of the relief association must be based on the most recent actuarial valuation of the special fund prepared in accordance with subdivision 2. If the relief association has an unfunded actuarial accrued liability as reported in the most recent actuarial valuation, the financial requirements must be determined by adding the figures calculated under paragraph (d), clauses (1), (2), and (3). If the relief association does not have an unfunded actuarial accrued liability as reported in the most recent actuarial valuation, the financial requirements must be an amount equal to the figure calculated under paragraph (d), clauses (1) and (2), reduced by an amount equal to one-tenth of the amount of any assets in excess of the actuarial accrued liability of the relief association.

(c) The determination of whether or not the relief association has an unfunded actuarial accrued liability must be based on the current market value of assets for which a market value is readily ascertainable and the cost or book value, whichever is applicable, for assets for which no market value is readily ascertainable.

(d) The components of the financial requirements of the relief association are the following: (1) The normal level cost requirement for the following year, expressed as a dollar amount, is the figure for the normal level cost of the relief association as reported in the actuarial valuation.

(2) The amount of anticipated future administrative expenses of the special fund must be calculated by multiplying the dollar amount of the administrative expenses of the special fund for the most recent prior calendar year by the factor of 1.035.

(3) The amortization contribution requirement to retire the current unfunded actuarial accrued liability by the established date for full funding is the figure for the amortization contribution as reported in the actuarial valuation. If there has not been a change in the actuarial assumptions used for calculating the actuarial accrued liability of the special fund, a change in the bylaws of the relief association governing the service pensions, retirement benefits, or both, payable from the special fund, or a change in the actuarial cost method used to value all or a portion of the special fund which change or changes, which by themselves, without inclusion of any other items of increase or decrease, produce a net increase in the unfunded actuarial accrued liability of the special fund, the established date for full funding is the December 31 occurring ten years later. If there has been a change in the actuarial assumptions used for calculating the actuarial accrued liability of the special fund, a change in the bylaws of the relief association governing the service pensions, retirement benefits, or both payable from the special fund or a change in the actuarial cost method used to value all or a portion of the special fund and the change or changes, by themselves and without inclusion of any other items of increase or decrease, produce a net increase in the unfunded actuarial accrued liability of the special fund within the past 20 years, the established date for full funding must be determined using the following procedure:

(i) the unfunded actuarial accrued liability of the special fund attributable to experience losses that have occurred since the most recent prior actuarial valuation must be determined and the level

annual dollar contribution needed to amortize the experience loss over a period of ten years ending on the December 31 occurring ten years later must be calculated;

(ii) the unfunded actuarial accrued liability of the special fund must be determined in accordance with the provisions governing service pensions, retirement benefits, and actuarial assumptions in effect before an applicable change;

(iii) the level annual dollar contribution needed to amortize this unfunded actuarial accrued liability amount by the date for full funding in effect before the change must be calculated using the interest assumption specified in section 356.215, subdivision 8, in effect before any applicable change;

(iv) the unfunded actuarial accrued liability of the special fund must be determined in accordance with any new provisions governing service pensions, retirement benefits, and actuarial assumptions and the remaining provisions governing service pensions, retirement benefits, and actuarial assumptions in effect before an applicable change;

(v) the level annual dollar contribution needed to amortize the difference between the unfunded actuarial accrued liability amount calculated under item (ii) and the unfunded actuarial accrued liability amount calculated under item (iv) over a period of 20 years starting December 31 of the year in which the change is effective must be calculated using the interest assumption specified in section 356.215, subdivision 8, in effect after any applicable change;

(vi) the annual amortization contribution calculated under item (v) must be added to the annual amortization contribution calculated under items (i) and (iii); (vii) the period in which the unfunded actuarial accrued liability amount determined in item (iv) will be amortized by the total annual amortization contribution computed under item (vi) must be calculated using the interest assumption specified in section 356.215, subdivision 8, in effect after any applicable change, rounded to the nearest integral number of years, but which must not exceed a period of 20 years from the end of the year in which the determination of the date for full funding using this procedure is made and which must not be less than the period of years beginning in the year in which the determination of the date for full funding using this procedure is made and ending by the date for full funding in effect before the change;

(viii) the period determined under item (vii) must be added to the date as of which the actuarial valuation was prepared and the resulting date is the new date for full funding.

Subd. 5. Minimum municipal obligation. (a) The officers of the relief association shall determine the minimum obligation of the municipality with respect to the special fund of the relief association for the following calendar year on or before August 1 of each year in accordance with the requirements of this subdivision.

(b) The minimum obligation of the municipality with respect to the special fund is an amount equal to the financial requirements of the special fund of the relief association determined under subdivision 4, reduced by the estimated amount of any fire state aid payable under sections 69.011 to 69.051 reasonably anticipated to be received by the municipality for transmittal to the special fund of the relief association during the following year and the amount of any anticipated contributions to the special fund required by the relief association bylaws from the active members of the relief association reasonably anticipated to be received during the following calendar year. A reasonable amount of anticipated fire state aid is an amount that does not exceed the fire state aid actually received in the prior year multiplied by the factor 1.035.

(c) The officers of the relief association shall certify the financial requirements of the special fund of the relief association and the minimum obligation of the municipality with respect to the special fund of the relief association as determined under subdivision 4 and this subdivision to the governing body of the municipality by August 1 of each year. The financial requirements of the relief association and the minimum municipal obligation must be included in the financial report or financial statement under section 69.051.

(d) The municipality shall provide for at least the minimum obligation of the municipality with respect to the special fund of the relief association by tax levy or from any other source of public

revenue. The municipality may levy taxes for the payment of the minimum municipal obligation without any limitation as to rate or amount and irrespective of any limitations imposed by other provisions of law or charter upon the rate or amount of taxation until the balance of the special fund or any fund of the relief association has attained a specified level. In addition, any taxes levied under this section must not cause the amount or rate of any other taxes levied in that year or to be levied in a subsequent year by the municipality which are subject to a limitation as to rate or amount to be reduced.

(e) If the municipality does not include the full amount of the minimum municipal obligation in its levy for any year, the officers of the relief association shall certify that amount to the county auditor, who shall spread a levy in the amount of the minimum municipal obligation on the taxable property of the municipality.

(f) If the state auditor determines that a municipal contribution actually made in a plan year was insufficient under section 69.771, subdivision 3, paragraph (c), clause (5), the state auditor may request from the relief association or from the city a copy of the certifications under this subdivision. The relief association or the city, whichever applies, must provide the certifications within 14 days of the date of the request from the state auditor.

Subd. 6. Municipal ratification for plan amendments. If the special fund of the relief association does not have a surplus over full funding pursuant to subdivision 4, or if the municipality is required to provide financial support to the special fund of the relief association pursuant to this section, the adoption of or any amendment to the articles of incorporation or bylaws of a relief association which increases or otherwise affects the retirement coverage provided by or the service pensions or retirement benefits payable from the special fund of any relief association to which this section applies shall not be effective until it is ratified by the governing body of the municipality in which the relief association is located. If the special fund of the relief association has a surplus over full funding pursuant to subdivision 4, and if the municipality is not required to provide financial support to the special fund of the relief association pursuant to this section, the relief association may adopt or amend its articles of incorporation or bylaws which increase or otherwise affect the retirement coverage provided by or the service pensions or retirement benefits payable from the special fund of the relief association which shall be effective without municipal ratification so long as this does not cause the amount of the resulting increase in the accrued liability of the special fund of the relief association to exceed 90 percent of the amount of the prior surplus over full funding and this does not result in the financial requirements of the special fund of the relief association exceeding the expected amount of the future fire state aid to be received by the relief association as determined by the board of trustees following the preparation of 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 of the relief association 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 retirement 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.

History: 1971 c 261 s 3; 1977 c 429 s 63; 1978 c 563 s 4; 1979 c 201 s 9; 1981 c 224 s 29; 1982 c 421 s 2; 1983 c 289 s 114 subd 1; 1984 c 655 art 1 s 92; 1Sp1985 c 7 s 35; 1986 c 359 s 11; 1987 c 259 s 9,10; 1994 c 541 s 1; 2000 c 461 art 15 s 3; 2002 c 392 art 11 s 52; 1Sp2005 c 8 art 9 s 6,7; 1Sp2005 c 8 art 10, s 6

*Note: Subdivision 4 was also amended by Laws 2005, First Special Session chapter 8, article 10, section 6, to read as follows:

“Subd. 4. **Financial requirements of special fund.** Before August 1 of each year, the officers of the relief association shall determine the financial requirements of the special fund of the relief association in accordance with the requirements of this subdivision. The financial requirements of the relief association must be based on the most recent actuarial valuation of the special fund prepared in accordance with subdivision 2. If the relief association has an unfunded actuarial accrued liability as reported in the most recent actuarial valuation, the financial requirements must be determined by adding the figures calculated under clauses (a), (b), and (c). If the relief association does not have an unfunded actuarial accrued liability as reported in the most recent actuarial valuation, the financial requirements must be an amount equal to the figure calculated under clauses (a) and (b), reduced by an amount equal to one-tenth of the amount of any assets in excess of the actuarial accrued liability of the relief association. The determination of whether or not the relief association has an unfunded actuarial accrued liability must be based on the current market value of assets for which a market value is readily ascertainable and the cost or book value, whichever is applicable, for assets for which no market value is readily ascertainable.

(a) The normal level cost requirement for the following year, expressed as a dollar amount, is the figure for the normal level cost of the relief association as reported in the actuarial valuation.

(b) The amount of anticipated future administrative expenses of the special fund must be calculated by multiplying the dollar amount of the administrative expenses of the special fund for the most recent year by the factor of 1.035.

(c) The amortization contribution requirement to retire the current unfunded actuarial accrued liability by the established date for full funding is the figure for the amortization contribution as reported in the actuarial valuation. If there has been a change in the actuarial assumptions used for calculating the actuarial accrued liability of the special fund, a change in the bylaws of the relief association governing the service pensions, retirement benefits, or both payable from the special fund or a change in the actuarial cost method used to value all or a portion of the special fund and the change or changes, by themselves and without inclusion of any other items of increase or decrease, produce a net increase in the unfunded actuarial accrued liability of the special fund, the established date for full funding must be determined using the following procedure:

(i) the unfunded actuarial accrued liability of the special fund must be determined in accordance with the provisions governing service pensions, retirement benefits, and actuarial assumptions in effect before an applicable change;

(ii) the level annual dollar contribution needed to amortize this unfunded actuarial accrued liability amount by the date for full funding in effect before the change must be calculated using the interest assumption specified in section 356.215, subdivision 8, in effect before any applicable change;

(iii) the unfunded actuarial accrued liability of the special fund must be determined in accordance with any new provisions governing service pensions, retirement benefits, and actuarial assumptions and the remaining provisions governing service pensions, retirement benefits, and actuarial assumptions in effect before an applicable change;

(iv) the level annual dollar contribution needed to amortize the difference between the unfunded actuarial accrued liability amount calculated under subclause (i) and the unfunded actuarial accrued liability amount calculated under subclause (iii) over a period of 20 years starting December 31 of the year in which the change is effective must be calculated using the interest assumption specified in section 356.215, subdivision 8, in effect after any applicable change;

(v) the annual amortization contribution calculated under subclause (iv) must be added to the annual amortization contribution calculated under subclause (ii);

(vi) the period in which the unfunded actuarial accrued liability amount determined in subclause (iii) will be amortized by the total annual amortization contribution computed under subclause (v) must be calculated using the interest assumption specified in section 356.215, subdivision 8, in effect after any applicable change, rounded to the nearest integral number of years, but which does not exceed a period of 20 years from the end of the year in which the determination of the date for full funding using this procedure is made and which is not less than the period of years beginning in the year in which the determination of the date for full funding using this procedure is made and ending by the date for full funding in effect before the change;

(vii) the period determined under subclause (vi) must be added to the date as of which the actuarial valuation was prepared and the resulting date is the new date for full funding.”

69.774 Nonprofit firefighting corporations.

Subdivision 1. **Authorized inclusion in fire state aid program; covered nonprofit corporations.** This section shall apply to any independent nonprofit firefighting corporation incorporated or organized pursuant to chapter 317A which operates exclusively for firefighting purposes, which is composed of volunteer firefighters, which has a duly established separate subsidiary incorporated firefighters' relief association which provides retirement coverage for or pays a service pension to a retired firefighter or a retirement benefit to a surviving dependent of either an active or a retired firefighter, and which operates subject to the service pension minimum requirements for entitlement to and maximums for a service pension contained in section 424A.02, or a special law modifying those requirements or maximums. Notwithstanding any law to the contrary, a municipality contracting with an independent nonprofit firefighting corporation shall be included in the distribution of fire state aid to the appropriate county auditor by the state auditor only if the independent nonprofit firefighting corporation complies with the provisions of this section.

Subd. 2. **Determination of actuarial condition and funding costs.** Each independent nonprofit firefighting corporation to which this section applies shall determine the actuarial condition and the funding costs of the subsidiary relief association using the following procedure:

(a) An independent nonprofit firefighting corporation which has a subsidiary relief association which pays a monthly benefit service pension shall procure an actuarial valuation of the special fund of the subsidiary relief association at the same times and in the same manner as specified in section 69.773, subdivisions 2 and 3, and an independent nonprofit firefighting corporation which has a subsidiary relief association which pays a lump sum service pension shall determine the accrued liability of the special fund of the relief association in accordance with section 69.772, subdivision 2.

(b) The financial requirements of the special fund of the subsidiary relief association which pays a monthly benefit service pension shall be determined in the same manner as specified in section 69.773, subdivision 4, and the financial requirements of the special fund of the subsidiary relief association shall be determined in the same manner as specified in section 69.772, subdivision 3.

(c) The minimum obligation of the independent nonprofit firefighting corporation on behalf of the special fund of the subsidiary relief association shall be determined in the same manner as specified in section 69.773, subdivision 5.

(d) The independent nonprofit firefighting corporation shall appropriate annually from the income of the corporation an amount at least equal to the minimum obligation of the independent nonprofit firefighting corporation on behalf of the special fund of the subsidiary relief association.

Subd. 3. **Authorized pension disbursements.** Authorized disbursements of assets of the special fund of the subsidiary relief association of the nonprofit firefighting corporation shall be governed by the provisions of section 424A.05.

History: 1971 c 261 s 4; 1977 c 429 s 63; 1979 c 201 s 10; 1983 c 289 s 114 subd 1; 1984 c 655 art 1 s 92; 1989 c 304 s 137; 1990 c 480 art 6 s 6

69.775 Investments.

(a) The special fund assets of a relief association governed by sections 69.771 to 69.776 must be invested in securities that are authorized investments under section 356A.06, subdivision 6 or 7.

(b) Notwithstanding the foregoing, up to 75 percent of the market value of the assets of the special fund, not including any money market mutual funds, may be invested in open-end investment companies registered under the federal Investment Company Act of 1940, if the portfolio investments of the investment companies comply with the type of securities authorized for investment under section 356A.06, subdivision 7.

(c) Securities held by the associations before June 2, 1989, that do not meet the requirements of this section may be retained after that date if they were proper investments for the association on that date.

(d) The governing board of the association may select and appoint investment agencies to act for and in its behalf or may certify special fund assets for investment by the State Board of Investment under section 11A.17.

(e) The governing board of the association may certify general fund assets of the relief association for investment by the State Board of Investment in fixed income pools or in a separately managed account at the discretion of the State Board of Investment as provided in section 11A.14.

(f) The governing board of the association may select and appoint a qualified private firm to measure management performance and return on investment, and the firm shall use the formula or formulas developed by the state board under section 11A.04, clause (11).

History: 1971 c 261 s 5; 1973 c 129 s 7; 1974 c 152 s 11; 1980 c 607 art 14 s 28,45 subd 1; 1981 c 208 s 8; 1984 c 574 s 3; 1986 c 356 s 7; 1986 c 359 s 12; 1989 c 319 art 8 s 8; 1993 c 300 s 9; 1994 c 604 art 2 s 2; 1Sp2005 c 8 art 9 s 8

69.776 Citation; application of other laws.

Subdivision 1. Sections 69.771 to 69.776 may be cited as the "Volunteer Firefighters' Relief Association Guidelines Act of 1971."

Subd. 2. Notwithstanding any other law to the contrary, no relief association described in sections 69.771 to 69.776, authorized under any present or future legislative act, shall be exempt from sections 69.771 to 69.776 unless such relief association is exempted by specific legislative reference to the Volunteer Firefighters' Relief Association Guidelines Act of 1971.

History: 1971 c 261 s 6; 1977 c 429 s 63

69.80 Authorized administrative expenses.

(a) Notwithstanding any provision of law to the contrary, the payment of the following necessary, reasonable and direct expenses of maintaining, protecting and administering the special fund, when provided for in the bylaws of the association and approved by the board of trustees, constitutes authorized administrative expenses of a police, salaried firefighters', or volunteer firefighters' relief association organized under any law of this state:

(1) office expense, including, but not limited to, rent, utilities, equipment, supplies, postage, periodical subscriptions, furniture, fixtures, and salaries of administrative personnel;

(2) salaries of the president, secretary, and treasurer of the association, or their designees, and any other official of the relief association to whom a salary is payable under bylaws or articles of incorporation in effect on January 1, 1986, and their itemized expenses incurred as a result of fulfilling their responsibilities as administrators of the special fund;

(3) tuition, registration fees, organizational dues, and other authorized expenses of the officers or members of the board of trustees incurred in attending educational conferences, seminars, or classes relating to the administration of the relief association;

(4) audit, actuarial, medical, legal, and investment and performance evaluation expenses;

(5) reimbursement to the officers and members of the board of trustees, or their designees, for reasonable and necessary expenses actually paid and incurred in the performance of their duties as officers or members of the board; and

(6) premiums on fiduciary liability insurance and official bonds for the officers, members of the board of trustees, and employees of the relief association.

(b) Any other expenses of the relief association must be paid from the general fund of the association, if one exists. If a relief association has only one fund, that fund is the special fund for purposes of this section. If a relief association has a special fund and a general fund, and any expense of the relief association that is directly related to the purposes for which both funds were established, the payment of that expense must be apportioned between the two funds on the basis of the benefits derived by each fund.

History: 1978 c 690 s 8; 1986 c 359 s 13; 1987 c 372 art 1 s 1; 2002 c 392 art 1 s 2

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Minnesota Statutes
Chapter 317A

Nonprofit Corporations

(§§ 317A.131 through 317A.151
and 317A.823)

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317A.131 Amendment of articles.

The articles of a corporation may be amended to include or modify a provision that is required or permitted to appear in the articles or to omit a provision not required to be included in the articles. When articles are amended to restate them, the name and address of each incorporator may be omitted. Unless otherwise provided in this chapter, the articles may be amended or modified only under sections 317A.133 and 317A.139.

History: 1989 c 304 s 16

317A.133 Procedure for amendment of articles.

Subdivision 1. **Approval by incorporators or board.** A majority of incorporators may amend the articles by written action if no directors are named in the original articles, if no directors have been elected, and if there are no members with voting rights. A majority of directors may amend the articles if there are no members with voting rights, if members with voting rights have authorized the board to amend the articles under subdivision 3, or if the amendment merely restates the existing articles, as amended. Notice of the meeting and of the proposed amendment must be given to the board. An amendment restating the existing articles may, but need not, be submitted to and approved by the members as provided in subdivision 2.

Subd. 2. **Approval by board and members with voting rights.** Amendments to the articles must be approved by a majority of the directors and by the members with voting rights. If an amendment is initiated by the directors, proper notice of the proposed amendment must precede a member meeting at which the amendment will be considered and must include the substance of the proposed amendment. If an amendment is proposed and approved by the members, the members may demand a special board meeting within 60 days for consideration of the proposed amendment if a regular board meeting would not occur within 60 days.

Subd. 3. **Approval by board where members have voting rights.** (a) The members with voting rights may authorize the board of directors, subject to paragraph (c), to exercise from time to time the power of amendment of the articles without member approval.

(b) When the members have authorized the board of directors to amend the articles, the board of directors, by a majority vote, unless the articles, bylaws, or the members' resolution authorizing the board action require a greater vote, may amend the articles at a meeting of the board. Notice of the meeting and of the proposed amendment must be given to the board.

(c) The members with voting rights voting at a meeting duly called for the purpose, may prospectively revoke the authority of the board to exercise the power of the members to amend the articles.

Subd. 4. **Restriction of approval methods.** Articles or bylaws may require greater than majority approval by the board or approval by greater than a majority of a quorum of the voting members for an action under this section and may limit or prohibit the use of mail ballots by voting members.

Subd. 5. **Approval of class.** The articles or bylaws may provide that an amendment also must be approved by the members of a class.

History: 1989 c 304 s 17; 1990 c 488 s 9-12

317A.139 Articles of amendment.

When an amendment has been adopted, articles of amendment must be prepared that contain:

- (1) the name of the corporation;
- (2) the amendment adopted;
- (3) with respect to an amendment restating the articles, a statement that the amendment correctly sets forth without change the corresponding provisions of the articles as previously amended, if the amendment was approved only by the board; and
- (4) a statement that the amendment has been adopted under this chapter.

History: 1989 c 304 s 18

317A.141 Effect of amendment.

Subdivision 1. **Effect on cause of action.** An amendment does not affect an existing cause of action in favor of or against the corporation, a pending suit to which the corporation is a party, nor the existing rights of persons other than members.

Subd. 2. **Effect of change of name.** If the corporate name is changed by the amendment, a suit brought by or against the corporation under its former name does not abate for that reason.

Subd. 3. **Effect of amendments restating articles.** When effective under section 317A.151, an amendment restating the articles in their entirety supersedes the original articles and amendments to the original articles.

Subd. 4. **Effect of amendments on charitable trust assets.** Assets held by a corporation, including income or fees from services, are restricted to the uses and purposes for which the property was received and held.

History: 1989 c 304 s 19; 1997 c 222 s 42

317A.151 Filing; effective date of articles.

Subdivision 1. **Filing required.** Articles of incorporation and articles of amendment must be filed with the secretary of state.

Subd. 2. **Effective date.** Articles of incorporation are effective and corporate existence begins when the articles of incorporation are filed with the secretary of state accompanied by a payment of \$70, which includes a \$35 incorporation fee in addition to the \$35 filing fee required by section 317A.011, subdivision 8. Articles of amendment are effective when filed with the secretary of state or at another time within 31 days after filing if the articles of amendment so provide.

History: 1989 c 304 s 20; 1989 c 335 art 1 s 204

317A.823 Annual corporate registration.

Subdivision 1. **Annual registration.** (a) The secretary of state must send annually to each corporation at the registered office of the corporation a postcard notice announcing the need to file the annual registration and informing the corporation that the annual registration may be filed on-line and that paper filings may also be made, and informing the corporation that failing to file the annual registration will result in an administrative dissolution of the corporation.

(b) Except for corporations to which paragraph (d) applies, each calendar year beginning in the calendar year following the calendar year in which a corporation incorporates, a corporation must file with the secretary of state by December 31 of each calendar year a registration containing information listed in paragraph (c).

(c) The registration must include:

- (1) the name of the corporation;
- (2) the address of its registered office;
- (3) the name of its registered agent, if any; and

(4) the name and business address of the officer or other person exercising the principal functions of president of the corporation.

(d) The timely filing of an annual financial report and audit or an annual financial statement under section 69.051, subdivision 1 or 1a, by a volunteer firefighter relief association, as reflected in the notification by the state auditor under section 69.051, subdivision 1c, constitutes presentation of the corporate registration. The secretary of state may reject the registration by the volunteer firefighter relief association. Rejection must occur if the information provided to the state auditor does not match the information in the records of the secretary of state. The volunteer firefighter relief association may amend the articles of incorporation as provided in sections 317A.131 to 317A.151 so that the information from the state auditor may be accepted for filing. The timely filing of an annual financial report and audit or an annual financial statement under section 69.051, subdivision 1 or 1a, does not relieve the volunteer firefighter relief association of the requirement to file amendments to the articles of incorporation directly with the secretary of state.

Subd. 2. **Penalty.** (a) A corporation that has failed to file a registration pursuant to the requirements of subdivision 1 must be dissolved by the secretary of state as described in paragraph (b).

(b) If the corporation has not filed the delinquent registration, the secretary of state must issue a certificate of involuntary dissolution, and the certificate must be filed in the office of the secretary of state. The secretary of state must annually inform the attorney general and the commissioner of revenue of the methods by which the names of corporations dissolved under this section during the preceding year may be determined. The secretary of state must also make available in an electronic format the names of the dissolved corporations. A corporation dissolved in this manner is not entitled to the benefits of section 317A.781.

Subd. 3. [Repealed by amendment, 2000 c 395 s 10]

History: 1989 c 304 s 121; 1989 c 335 art 1 s 206,207; 1990 c 488 s 41,42; 1991 c 205 s 15; 1992 c 503 s 16; 1993 c 48 s 4; 1993 c 86 s 2; 1995 c 128 art 3 s 5; 2000 c 395 s 10; 2004 c 251 s 7.

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**Minnesota Statute
Chapter 356**

Retirement Systems, Generally

(§§ 356.219 and 356.64)

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356.219 Disclosure of public pension plan investment portfolio and performance information.

Subdivision 1. **Report required.** (a) Except as indicated in subdivision 4, the state board of investment, on behalf of the public pension funds and programs for which it is the investment authority, and any Minnesota public pension plan that is not fully invested through the state board of investment, including a local police or firefighters' relief association governed by sections 69.77 or 69.771 to 69.775, shall report the information specified in subdivision 3 to the state auditor. The state auditor may prescribe a form or forms for the purposes of the reporting requirements contained in this section.

(b) A local police or firefighters' relief association governed by section 69.77 or sections 69.771 to 69.775 is fully invested during a given calendar year for purposes of this section if all assets of the applicable pension plan beyond sufficient cash equivalent investments to cover six months expected expenses are invested under section 11A.17. The board of any fully invested public pension plan remains responsible for submitting investment policy statements and subsequent revisions as required by subdivision 3, paragraph (a).

(c) For purposes of this section, the state board of investment is considered to be the investment authority for any Minnesota public pension fund required to be invested by the state board of investment under section 11A.23, or for any Minnesota public pension fund authorized to invest in the supplemental investment fund under section 11A.17 and which is fully invested by the state board of investment.

Subd. 2. **Asset class definition.** (a) For purposes of this section, "asset class" means any of the following asset groupings as authorized in applicable law, bylaws, or articles of incorporation:

- (1) cash and any cash equivalent investments with maturities of one year or less when issued;
- (2) debt securities with maturities greater than one year when issued, including but not limited to mortgage participation certificates and pools, asset backed securities, guaranteed investment contracts, and authorized government and corporate obligations of corporations organized under laws of the United States or any state, or the Dominion of Canada or its provinces;
- (3) stocks or convertible issues of any corporation organized under laws of the United States or any state, or the Dominion of Canada or its provinces, or any corporation listed on the New York Stock Exchange or the American Stock Exchange;
- (4) international stocks or convertible issues;
- (5) international debt securities; and
- (6) real estate and venture capital.

(b) If the pension plan is investing under section 69.77, subdivision 9, section 69.775, or any other applicable law, in open-end investment companies registered under the federal Investment Company Act of 1940, or in the Minnesota supplemental investment fund under section 11A.17, this investment must be included under an asset class indicated in paragraph (a), clauses (1) through (6), as appropriate. If the investment vehicle includes underlying securities from more than one asset class as indicated by paragraph (a), clauses (1) through (6), the investment may be treated as a separate asset class.

Subd. 3. **Content of reports.** (a) The report required by subdivision 1 must include a written statement of the investment policy in effect on June 30, 1997, if that statement has not been previously submitted. Following that date, subsequent reports must include investment policy changes and the effective date of each policy change rather than a complete statement of investment policy, unless the state auditor requests submission of a complete current statement. The report must also include the information required by the following paragraphs, as applicable.

(b) If a public pension plan has a total market value of \$10,000,000 or more as of the beginning of the calendar year, the report required by subdivision 1 must include the market value of the total

portfolio and the market value of each investment account, investment portfolio, or asset class included in the pension fund as of the beginning of the calendar year and for each month, and the amount and date of each injection and withdrawal to the total portfolio and to each investment account, investment portfolio, or asset class. If a public pension plan once files a report under this paragraph, it must continue reporting under this paragraph for any subsequent year in which the public pension plan is not fully invested as specified in subdivision 1, paragraph (b), even if asset values drop below \$10,000,000 in market value in that subsequent year.

(c) For public pension plans to which paragraph (b) applies, the report required by subdivision 1 must also include a calculation of the total time-weighted rate of return available from index-matching investments assuming the asset class performance targets and target asset mix indicated in the written statement of investment policy. The provided information must include a description of indices used in the analyses and an explanation of why those indices are appropriate. This paragraph does not apply to any fully invested plan, as defined by subdivision 1, paragraph (b). Reporting by the state board of investment under this paragraph is limited to information on the Minnesota public pension plans required to be invested by the state board of investment under section 11A.23.

(d) If a public pension plan has a total market value of less than \$10,000,000 as of the beginning of the calendar year and was never required to file under paragraph (b), the report required by subdivision 1 must include the amount and date of each total portfolio injection and withdrawal. In addition, the report must include the market value of the total portfolio as of the beginning of the calendar year and for each quarter.

(e) Any public pension plan reporting under paragraph (b) or (d) may include computed time-weighted rates of return with the report, in addition to all other required information, as applicable. If these returns are supplied, the individual who computed the returns must certify that the returns are net of all costs and fees, including investment management fees, and that the procedures used to compute the returns are consistent with bank administration institute studies of investment performance measurement and association of investment management and research presentation standards.

(f) For public pension plans reporting under paragraph (d), the public pension plan must retain supporting information specifying the date and amount of each injection and withdrawal to each investment account and investment portfolio. The public pension plan must also retain the market value of each investment account and investment portfolio at the beginning of the calendar year and for each quarter. Information that is required to be collected and retained for any given year or years under this paragraph must be submitted to the office of the state auditor if the office of the state auditor requests in writing that the information be submitted by a public pension plan or plans, or be submitted by the state board of investment for any plan or plans for which the state board of investment is the investment authority under this section. If the state auditor requests information under this subdivision, and the public plan fails to comply, the pension plan is subject to penalties under subdivision 5, unless penalties are waived by the state auditor under that subdivision.

Subd. 4. Alternative reporting; certain plans. In lieu of requirements in subdivision 3, the applicable administration for the individual retirement account plans under chapters 354B and 354D and for the University of Minnesota faculty retirement plan shall submit computed time-weighted rates of return to the office of the state auditor. These time-weighted rates of return must cover the most recent complete calendar year, and must be computed separately for each investment option available to plan members. To the extent feasible, the returns must be computed net of all investment costs, fees, and charges, so that the computed return reflects the net time-weighted return available to the investor. If this is not practical, the existence of any remaining investment cost, fee, or charge which could further lower the net return must be disclosed. The procedures used to compute the returns must be consistent with bank administration institute studies of investment performance measurement and association of investment management and research presentation standards, or, if applicable, securities exchange

commission requirements. The individual who computes the returns must certify that the supplied returns comply with this subdivision. The applicable plan administrator must also submit, with the return information, the total amounts invested by the plan members, in aggregate, in each investment option as of the last day of the calendar year.

Subd. 5. Penalty for noncompliance. Failure to comply with the reporting requirements of this section must result in a withholding of all state aid or state appropriation to which the pension plan may otherwise be directly or indirectly entitled until the pension plan has complied with the reporting requirements. The state auditor shall instruct the commissioners of revenue and finance to withhold any state aid or state appropriation from any pension plan that fails to comply with the reporting requirements contained in this section, until the pension plan has complied with the reporting requirements. The state auditor may waive the withholding of state aid or state appropriations if the state auditor determines in writing that compliance would create an excessive hardship for the pension plan.

Subd. 6. Investment disclosure report. (a) The state auditor shall prepare an annual report to the legislature on the investment performance of the various public pension plans subject to this section. The content of the report is specified in paragraphs (b) to (e).

(b) For each public pension plan reporting under subdivision 3, paragraph (b), the state auditor shall compute and report total portfolio and asset class time-weighted rates of return, net of all investment-related costs and fees.

(c) For each public pension plan reporting under subdivision 3, paragraph (d), the state auditor shall compute and report total portfolio time-weighted rates of return, net of all costs and fees. If the state auditor has requested data for a plan under subdivision 3, paragraph (f), the state auditor may also compute and report asset class time-weighted rates of return, net of all costs and fees.

(d) The report by the state auditor must include the information submitted by the pension plans under subdivision 3, paragraph (c), or a synopsis of that information.

(e) The report by the state auditor may also include a presentation of multiyear performance, information collected under subdivision 4, and any other information or analysis deemed appropriate by the state auditor.

Subd. 7. Expense of report. All administrative expenses incurred relating to the investment report by the state auditor described in subdivision 6 must be borne by the office of the state auditor and may not be charged back to the entities described in subdivisions 1 or 4.

Subd. 8. Timing of reports. (a) For salaried firefighter relief associations, police relief associations, and volunteer firefighter relief associations, the information required under this section must be submitted by the due date for reports required under section 69.051, subdivision 1 or 1a, as applicable. If a relief association satisfies the definition of a fully invested plan under subdivision 1, paragraph (b), for the calendar year covered by the report required under section 69.051, subdivision 1 or 1a, as applicable, the chief administrative officer of the covered pension plan shall certify that compliance on a form prescribed by the state auditor. The state auditor shall transmit annually to the state board of investment a list or lists of covered pension plans which submitted certifications in order to facilitate reporting by the state board of investment under paragraph (c) of this subdivision.

(b) For the Minneapolis teachers retirement fund association, the St. Paul teachers retirement fund association, the Duluth teachers retirement fund association, the Minneapolis employees retirement fund, the University of Minnesota faculty supplemental retirement plan, and the applicable administrators for the University of Minnesota faculty retirement plan and the individual retirement account plans under chapters 354B and 354D, the information required under this section must be submitted to the state auditor by June 1 of each year.

(c) The state board of investment, on behalf of pension funds specified in subdivision 1, paragraph (c), must report information required under this section by September 1 of each year.

History: 1994 c 565 art 2 s 1; 1995 c 262 art 9 s 1; 1996 c 438 art 10 s 1; 1997 c 241 art 10 s 4; 2002 c 392 art 1 s 8; art 11 s 10

356.64 Real estate investments.

(a) Notwithstanding any law to the contrary, any public pension plan whose assets are not invested by the State Board of Investment may invest its funds in Minnesota situs nonfarm real estate ownership interests or loans secured by mortgages or deeds of trust if the investment is consistent with section 356A.04.

(b) Except to the extent authorized in the case of the Minneapolis Employees Retirement Fund under section 422A.05, subdivision 2c, paragraph (a), an investment otherwise authorized by this section must also comply with the requirements and limitations of section 11A.24, subdivision 6.

History: 2002 c 392 art 11 s 46

Minnesota Statutes
Chapter 356A

Public Pension Fiduciary Responsibility

(§§ 356A.01 through 356A.13)

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356A.01 Definitions.

Subdivision 1. **Scope.** For purposes of this chapter, the following terms have the meanings given them in this section.

Subd. 2. **Benefit.** "Benefit" means an amount, other than an administrative expense, paid or payable from a pension plan, including a retirement annuity, service pension, disability benefit, survivor benefit, death benefit, funeral benefit, or refund.

Subd. 3. **Benefit provisions.** "Benefit provisions" means the portion of a pension plan that deals specifically with the benefit coverage provided by the plan, including the kinds of coverage, the eligibility for and entitlement to benefits, and the amount of benefits.

Subd. 4. **Benefit recipient.** "Benefit recipient" means a person who has received a benefit from a pension plan or to whom a benefit is payable under the terms of the plan document of the pension plan.

Subd. 5. **Chief administrative officer.** "Chief administrative officer" means the person who has primary responsibility for the execution of the administrative or management affairs of a pension plan.

Subd. 6. **Cofiduciary.** "Cofiduciary" means a fiduciary of a pension plan, other than a fiduciary directly undertaking a fiduciary activity or directly and primarily responsible for a fiduciary activity.

Subd. 7. **Covered governmental entity.** "Covered governmental entity" means a governmental subdivision or other governmental entity that employs persons who are plan participants in a covered pension plan and who are eligible for that participation because of their employment.

Subd. 8. **Covered pension plan.** "Covered pension plan" means a pension plan or fund listed in section 356.20, subdivision 2, or section 356.30, subdivision 3, or a plan established under chapter 353D, 354B, 354C, or 354D.

Subd. 9. **Covered pension plan other than a statewide plan.** "Covered pension plan other than a statewide plan" means a pension plan not included in the definition of a statewide plan in subdivision 24.

Subd. 10. **Direct or indirect profit.** "Direct or indirect profit" means a payment of money, the provision of a service or an item of other than nominal value, an extension of credit, a loan, or any other special consideration to a fiduciary or a direct relative of a fiduciary on behalf of the fiduciary in consideration for the performance of a fiduciary activity or a failure to perform a fiduciary activity.

Subd. 11. **Direct relative.** "Direct relative" means any of the persons or spouses of persons related to one another within the third degree of kindred under civil law.

Subd. 12. **Fiduciary.** "Fiduciary" means a person identified in section 356A.02.

Subd. 13. **Fiduciary activity.** "Fiduciary activity" means an activity described in section 356A.02, subdivision 2.

Subd. 14. **Financial institution.** "Financial institution" means a bank, savings institution, or credit union organized under federal or state law.

Subd. 15. **Governing board of a pension plan.** "Governing board of a pension plan" means the body of a pension plan that is assigned or that undertakes the chief policy-making powers and management duties of the plan.

Subd. 16. **Investment advisory council.** "Investment advisory council" means the investment advisory council established by section 11A.08.

Subd. 17. **Liability.** "Liability" means a secured or unsecured debt or an obligation for a future payment of money, including an actuarial accrued liability or an unfunded actuarial accrued liability, except where the context clearly indicates another meaning.

Subd. 18. **Office of the pension plan.** "Office of the pension plan" means an administrative facility or portion of a facility where the primary business or administrative affairs of a pension plan are conducted and the primary and permanent records and files of the plan are retained.

Subd. 19. **Pension fund.** "Pension fund" means the assets amassed and held in a pension plan, other than the general fund, as reserves for present and future payment of benefits and administrative expenses.

Subd. 20. **Pension plan.** "Pension plan" means all aspects of an arrangement between a public employer and its employees concerning the pension benefit coverage provided to the employees.

Subd. 21. **Plan document.** "Plan document" means a written document or series of documents containing the eligibility requirements and entitlement provisions constituting the benefit coverage of a pension plan, including any articles of incorporation, bylaws, governing body rules and policies, municipal charter provisions, municipal ordinance provisions, or general or special state law.

Subd. 22. **Plan participant.** "Plan participant" means a person who is an active member of a pension plan by virtue of the person's employment or who is making a pension plan member contribution.

Subd. 23. **State board of investment.** "State board of investment" means the Minnesota state board of investment created by the Minnesota Constitution, article XI, section 8.

Subd. 24. **Statewide plan.** "Statewide plan" means any of the following pension plans:
(1) the Minnesota state retirement system or a pension plan administered by it;
(2) the public employees retirement association or a pension plan administered by it; and
(3) the teachers retirement association or a pension plan administered by it.

History: 1989 c 319 art 7 s 1; 2000 c 461 art 12 s 16

356A.02 Fiduciary status and activities.

Subdivision 1. **Fiduciary status.** For purposes of this chapter, the following persons are fiduciaries:

- (1) any member of the governing board of a covered pension plan;
- (2) the chief administrative officer of a covered pension plan or of the state board of investment;
- (3) any member of the state board of investment;
- (4) any member of the investment advisory council; and
- (5) any member of the advisory committee established under section 354B.25.

Subd. 2. **Fiduciary activity.** The activities of a fiduciary identified in subdivision 1 that must be carried out in accordance with the requirements of section 356A.04 include, but are not limited to:

- (1) the investment and reinvestment of plan assets;
- (2) the determination of benefits;
- (3) the determination of eligibility for membership or benefits;
- (4) the determination of the amount or duration of benefits;
- (5) the determination of funding requirements or the amounts of contributions;
- (6) the maintenance of membership or financial records;
- (7) the expenditure of plan assets; and
- (8) the selection of financial institutions and investment products.

History: 1989 c 319 art 7 s 2; 2000 c 461 art 12 s 17

356A.03 Prohibition of certain persons from fiduciary status.

Subdivision 1. **Individual prohibition.** For the prohibition period established by subdivision 2, a person, other than a constitutional officer of the state, who has been convicted of a violation listed in subdivision 3, may not serve in a fiduciary capacity identified in section 356A.02.

Subd. 2. **Prohibition period.** A prohibition under subdivision 1 is for a period of five years, beginning on the day following conviction for a violation listed in subdivision 3 or, if the person convicted is incarcerated, the day following unconditional release from incarceration.

Subd. 3. **Applicable violations.** A prohibition under subdivision 1 is imposed as a result of any of the following violations of law:

- (1) a violation of federal law specified in United States Code, title 29, section 1111, as amended;
- (2) a violation of Minnesota law that is a felony under Minnesota law; or
- (3) a violation of the law of another state, United States territory or possession, or federally recognized Indian tribal government, or of the Uniform Code of Military Justice, that would be a felony under the offense definitions and sentences in Minnesota law.

Subd. 4. **Documentation.** In determining the applicability of this section, the appropriate appointing authority, the state board of investment, or the covered pension plan, as the case may be, may rely on a disclosure form meeting the requirements of the federal Investment Advisers Act of 1940, as amended through June 2, 1989, and filed with the state board of investment or the pension plan.

History: 1989 c 319 art 7 s 3

356A.04 General standard of fiduciary conduct.

Subdivision 1. **Duty.** A fiduciary of a covered pension plan owes a fiduciary duty to:

- (1) the active, deferred, and retired members of the plan, who are its beneficiaries;
- (2) the taxpayers of the state or political subdivision, who help to finance the plan; and
- (3) the state of Minnesota, which established the plan.

Subd. 2. **Prudent person standard.** A fiduciary identified in section 356A.02 shall act in good faith and shall exercise that degree of judgment and care, under the circumstances then prevailing, that persons of prudence, discretion, and intelligence would exercise in the management of their own affairs, not for speculation, considering the probable safety of the plan capital as well as the probable investment return to be derived from the assets.

History: 1989 c 319 art 7 s 4

356A.05 Duties applicable to all activities.

(a) The activities of a fiduciary of a covered pension plan must be carried out solely for the following purposes:

- (1) to provide authorized benefits to plan participants and beneficiaries;
- (2) to incur and pay reasonable and necessary administrative expenses; or
- (3) to manage a covered pension plan in accordance with the purposes and intent of the plan document.

(b) The activities of fiduciaries identified in section 356A.02 must be carried out faithfully, without prejudice, and in a manner consistent with law and the plan document.

History: 1989 c 319 art 7 s 5

356A.06 Investments; additional duties.

Subdivision 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. Legal title to plan assets must be vested in the plan, the state board of investment, the governmental entity that sponsors the plan, the nominee of the plan, or the depository agent. The holder of legal title shall function as a trustee for a person or entity with a beneficial interest in the assets of the plan.

Subd. 2. **Diversification.** The investment of plan assets must be diversified to minimize the risk of substantial investment losses unless the circumstances at the time an investment is made clearly indicate that diversification would not be prudent.

Subd. 3. **Absence of personal profit.** No fiduciary may personally profit, directly or indirectly, as a result of the investment or management of plan assets. This subdivision, however, does not preclude the receipt by a fiduciary of reasonable compensation, including membership in or the receipt of benefits from a pension plan, for the fiduciary's position with respect to the plan.

Subd. 4. **Economic interest statement.** (a) Each member of the governing board of a covered pension plan and the chief administrative officer of the plan shall file with the plan a statement of economic interest.

(b) For a covered pension plan other than a plan specified in paragraph (c), the statement must contain the information required by section 10A.09, subdivision 5, and any other information that the fiduciary or the governing board of the plan determines is necessary to disclose a reasonably foreseeable potential or actual conflict of interest.

(c) For a covered pension plan governed by sections 69.771 to 69.776 or a covered pension plan governed by section 69.77 with assets under \$8,000,000, the statement must contain the following:

(1) the person's principal occupation and principal place of business;

(2) whether or not the person has an ownership of or interest of ten percent or greater in an investment security brokerage business, a real estate sales business, an insurance agency, a bank, a savings and loan, or another financial institution; and

(3) any relationship or financial arrangement that can reasonably be expected to give rise to a conflict of interest.

(d) The statement must be filed annually with the chief administrative officer of the plan and be available for public inspection during regular office hours at the office of the pension plan.

(e) A disclosure form meeting the requirements of the federal Investment Advisers Act of 1940, United States Code, title 15, sections 80b-1 to 80b-21 as amended, and filed with the state board of investment or the pension plan meets the requirements of this subdivision.

(f) The chief administrative officer of each covered pension plan, by January 15, annually, shall transmit a certified listing of all individuals who have filed statements of economic interest with the plan under this subdivision during the preceding 12 months and the address of the office referenced in paragraph (d) to the campaign finance and public disclosure board.

Subd. 5. Investment business recipient disclosure. The chief administrative officer of a covered pension plan, with respect to investments made by the plan, and the executive director of the state board of investment, with respect to investments of plan assets made by the board, shall annually disclose in writing the recipients of investment business placed with or investment commissions allocated among commercial banks, investment bankers, brokerage organizations, or other investment managers. The disclosure document must be prepared within 60 days after the close of the fiscal year of the plan and must be available for public inspection during regular office hours at the office of the plan. The disclosure document must also be filed with the executive director of the legislative commission on pensions and retirement within 90 days after the close of the fiscal year of the plan. For the state board of investment and a first class city teacher retirement fund association, a disclosure document included as part of a regular annual report of the board or of the first class city teacher retirement fund association when filed with the executive director of the legislative commission on pensions and retirement is considered to have been filed on a timely basis.

Subd. 6. Limited list of authorized investment securities. (a) Except to the extent otherwise authorized by law, a covered pension plan may invest its assets only in investment securities authorized by this subdivision if the plan does not:

(1) have assets with a book value in excess of \$1,000,000;

(2) use the services of an investment advisor registered with the Securities and Exchange Commission in accordance with the Investment Advisers Act of 1940, or licensed as an investment advisor in accordance with sections 80A.04, subdivision 4, and 80A.14, subdivision 9, for the investment of at least 60 percent of its assets, calculated on book value;

(3) use the services of the state board of investment for the investment of at least 60 percent of its assets, calculated on book value; or

(4) use a combination of the services of an investment advisor meeting the requirements of clause (2) and the services of the state board of investment for the investment of at least 75 percent of its assets, calculated on book value.

(b) Investment securities authorized for a pension plan covered by this subdivision are:

(1) certificates of deposit issued, to the extent of available insurance or collateralization, by a financial institution that is a member of the Federal Deposit Insurance Corporation or the Federal Savings and Loan Insurance Corporation, is insured by the National Credit Union Administration, or is authorized to do business in this state and has deposited with the chief administrative officer of the plan a sufficient amount of marketable securities as collateral in accordance with section 118A.03;

(2) savings accounts, to the extent of available insurance, with a financial institution that is a member of the Federal Deposit Insurance Corporation or the Federal Savings and Loan Insurance Corporation;

(3) governmental obligations, including bonds, notes, bills, or other fixed obligations, issued by the United States, an agency or instrumentality of the United States, an organization established and regulated by an act of Congress or by a state, state agency or instrumentality, municipality, or other governmental or political subdivision that:

(i) for the obligation in question, issues an obligation that equals or exceeds the stated investment yield of debt securities not exempt from federal income taxation and of comparable quality;

(ii) for an obligation that is a revenue bond, has been completely self-supporting for the last five years; and

(iii) for an obligation other than a revenue bond, has issued an obligation backed by the full faith and credit of the applicable taxing jurisdiction and has not been in default on the payment of principal or interest on the obligation in question or any other nonrevenue bond obligation during the preceding ten years;

(4) corporate obligations, including bonds, notes, debentures, or other regularly issued and readily marketable evidences of indebtedness issued by a corporation organized under the laws of any state that during the preceding five years has had on average annual net pretax earnings at least 50 percent greater than the annual interest charges and principal payments on the total issued debt of the corporation during that period and that, for the obligation in question, has issued an obligation rated in one of the top three quality categories by Moody's Investors Service, Incorporated, or Standard and Poor's Corporation; and

(5) shares in an open-end investment company registered under the federal Investment Company Act of 1940, if the portfolio investments of the company are limited to investments that meet the requirements of clauses (1) to (4).

Subd. 7. Expanded list of authorized investment securities. (a) **Authority.** Except to the extent otherwise authorized by law or bylaws, a covered pension plan not described by subdivision 6, paragraph (a), may invest its assets only in accordance with this subdivision.

(b) **Securities generally.** The covered pension plan has the authority to purchase, sell, lend, or exchange the securities specified in paragraphs (c) to (h), including puts and call options and future contracts traded on a contract market regulated by a governmental agency or by a financial institution regulated by a governmental agency. These securities may be owned as units in commingled trusts that own the securities described in paragraphs (c) to (h).

(c) **Government obligations.** The covered pension plan may invest funds in governmental bonds, notes, bills, mortgages, and other evidences of indebtedness provided the issue is backed by the full faith and credit of the issuer or the issue is rated among the top four quality rating categories by a nationally recognized rating agency. The obligations in which funds may be invested under this paragraph include guaranteed or insured issues of (1) the United States, its agencies, its instrumentalities, or organizations created and regulated by an act of Congress; (2) Canada and its provinces, provided the principal and interest is payable in United States dollars; (3) the states and their municipalities, political subdivisions, agencies, or instrumentalities; (4) the International Bank for Reconstruction and Development, the Inter-American Development Bank, the Asian Development

Bank, the African Development Bank, or any other United States government sponsored organization of which the United States is a member, provided the principal and interest is payable in United States dollars.

(d) **Corporate obligations.** The covered pension plan may invest funds in bonds, notes, debentures, transportation equipment obligations, or any other longer term evidences of indebtedness issued or guaranteed by a corporation organized under the laws of the United States or any state thereof, or the Dominion of Canada or any province thereof if they conform to the following provisions:

(1) the principal and interest of obligations of corporations incorporated or organized under the laws of the Dominion of Canada or any province thereof must be payable in United States dollars; and

(2) obligations must be rated among the top four quality categories by a nationally recognized rating agency.

(e) **Other obligations.** (1) The covered pension plan may invest funds in bankers acceptances, certificates of deposit, deposit notes, commercial paper, mortgage participation certificates and pools, asset backed securities, repurchase agreements and reverse repurchase agreements, guaranteed investment contracts, savings accounts, and guaranty fund certificates, surplus notes, or debentures of domestic mutual insurance companies if they conform to the following provisions:

(i) bankers acceptances and deposit notes of United States banks are limited to those issued by banks rated in the highest four quality categories by a nationally recognized rating agency;

(ii) certificates of deposit are limited to those issued by (A) United States banks and savings institutions that are rated in the highest four quality categories by a nationally recognized rating agency or whose certificates of deposit are fully insured by federal agencies; or (B) credit unions in amounts up to the limit of insurance coverage provided by the National Credit Union Administration;

(iii) commercial paper is limited to those issued by United States corporations or their Canadian subsidiaries and rated in the highest two quality categories by a nationally recognized rating agency;

(iv) mortgage participation or pass through certificates evidencing interests in pools of first mortgages or trust deeds on improved real estate located in the United States where the loan to value ratio for each loan as calculated in accordance with section 61A.28, subdivision 3, does not exceed 80 percent for fully amortizable residential properties and in all other respects meets the requirements of section 61A.28, subdivision 3;

(v) collateral for repurchase agreements and reverse repurchase agreements is limited to letters of credit and securities authorized in this section;

(vi) guaranteed investment contracts are limited to those issued by insurance companies or banks rated in the top four quality categories by a nationally recognized rating agency or to alternative guaranteed investment contracts where the underlying assets comply with the requirements of this subdivision;

(vii) savings accounts are limited to those fully insured by federal agencies; and

(viii) asset backed securities must be rated in the top four quality categories by a nationally recognized rating agency.

(2) Sections 16A.58, 16C.03, subdivision 4, and 16C.05 do not apply to certificates of deposit and collateralization agreements executed by the covered pension plan under clause (1), item (ii).

(3) In addition to investments authorized by clause (1), item (iv), the covered pension plan may purchase from the Minnesota Housing Finance Agency all or any part of a pool of residential mortgages, not in default, that has previously been financed by the issuance of bonds or notes of the agency. The covered pension plan may also enter into a commitment with the agency, at the time of any issue of bonds or notes, to purchase at a specified future date, not exceeding 12 years from the date of the issue, the amount of mortgage loans then outstanding and not in default that have been made or purchased from the proceeds of the bonds or notes. The covered pension plan may charge reasonable fees for any such commitment and may agree to purchase the mortgage loans at a price sufficient to produce a yield to the covered pension plan comparable, in its judgment, to the yield available on similar mortgage loans

at the date of the bonds or notes. The covered pension plan may also enter into agreements with the agency for the investment of any portion of the funds of the agency. The agreement must cover the period of the investment, withdrawal privileges, and any guaranteed rate of return.

(f) **Corporate stocks.** The covered pension plan may invest funds in stocks or convertible issues of any corporation organized under the laws of the United States or the states thereof, any corporation organized under the laws of the Dominion of Canada or its provinces, or any corporation listed on an exchange regulated by an agency of the United States or of the Canadian national government, if they conform to the following provisions:

(1) the aggregate value of corporate stock investments, as adjusted for realized profits and losses, must not exceed 85 percent of the market or book value, whichever is less, of a fund, less the aggregate value of investments according to paragraph (h);

(2) investments must not exceed five percent of the total outstanding shares of any one corporation.

(g) **Exchange traded funds.** The covered pension plan may invest funds in exchange traded funds, subject to the maximums, the requirements, and the limitations set forth in paragraph (d), (e), (f), or (h), whichever applies.

(h) **Other investments.** (1) In addition to the investments authorized in paragraphs (b) to (g), and subject to the provisions in clause (2), the covered pension plan may invest funds in:

(i) venture capital investment businesses through participation in limited partnerships and corporations;

(ii) real estate ownership interests or loans secured by mortgages or deeds of trust through investment in limited partnerships, bank sponsored collective funds, trusts, and insurance company commingled accounts, including separate accounts;

(iii) regional and mutual funds through bank sponsored collective funds and open-end investment companies registered under the Federal Investment Company Act of 1940;

(iv) resource investments through limited partnerships, private placements, and corporations; and

(v) international securities.

(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 35 percent of the market value of the fund for which the covered pension plan is investing;

(ii) there must be at least four unrelated owners of the investment other than the covered pension plan for investments made under clause (1), item (i), (ii), (iii), or (iv);

(iii) covered pension plan participation in an investment vehicle is limited to 20 percent thereof for investments made under clause (1), item (i), (ii), (iii), or (iv); and

(iv) covered pension plan participation in a limited partnership does not include a general partnership interest or other interest involving general liability. The covered pension plan may not engage in any activity as a limited partner which creates general liability.

Subd. 7a. **Restrictions.** Any agreement to lend securities must be concurrently collateralized with cash or securities with a market value of not less than 100 percent of the market value of the loaned securities at the time of the agreement. For a covered pension authorized to purchase put and call options and futures contracts under subdivision 7, any agreement for put and call options and futures contracts may only be entered into with a fully offsetting amount of cash or securities. Only securities authorized by this section, excluding those under subdivision 7, paragraph (g), clause (1), items (i) to (iv), may be accepted as collateral or offsetting securities.

Subd. 8. **Minimum liquidity requirements.** A covered pension plan described by subdivision 6, paragraph (a), in order to pay benefits as they come due, shall invest a portion of its assets in authorized short-term debt obligations that can be immediately liquidated without accrual of a

substantial determinable penalty or loss and that have an average maturity of no more than 90 days. The chief administrative officer of the plan shall determine the minimum liquidity requirement of the plan and shall retain appropriate documentation of that determination for three years from the date of determination.

Subd. 8a. Collateralization requirement. (a) The governing board of a covered pension plan shall designate a national bank, an insured state bank, an insured credit union, or an insured thrift institution as the depository for the pension plan for assets not held by the pension plan's custodian bank.

(b) Unless collateralized as provided under paragraph (c), a covered pension plan may not deposit in a designated depository an amount in excess of the insurance held by the depository in the Federal Deposit Insurance Corporation, the federal savings and loan insurance corporation, or the national credit union administration, whichever applies.

(c) For an amount greater than the insurance under paragraph (b), the depository must provide collateral in compliance with section 118A.03 or with any comparable successor enactment relating to the collateralization of municipal deposits.

Subd. 8b. Disclosure of investment authority; receipt of statement. (a) For this subdivision, the term "broker" means a broker, broker-dealer, investment advisor, investment manager, or third party agent who transfers, purchases, sells, or obtains investment securities for, or on behalf of, a covered pension plan.

(b) Before a covered pension plan may complete an investment transaction with or in accord with the advice of a broker, the covered pension plan shall provide annually to the broker a written statement of investment restrictions applicable under state law to the covered pension plan or applicable under the pension plan governing board investment policy.

(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 acknowledgment to the chief administrative officer of the covered pension plan.

Subd. 9. Prohibited transactions. (a) No fiduciary of a covered pension plan may engage in a prohibited transaction or allow the plan to engage in a transaction that the fiduciary knows or should know is a prohibited transaction.

(b) A prohibited transaction is any of the following transactions, whether direct or indirect:

(1) the sale, exchange, or lease of real estate between the pension plan and a fiduciary of the plan;

(2) the lending of money or other extension of credit between the plan and a fiduciary of the plan;

(3) the furnishing to a plan by a fiduciary for compensation or remuneration, of goods, services other than those performed in the capacity of fiduciary, or facilities;

(4) the furnishing to a fiduciary by a plan of goods, services, or facilities other than office and related space, equipment and office supplies, and administrative services appropriate to the recipient's fiduciary position;

(5) the transfer of plan assets to a plan fiduciary for use by or for the benefit of the fiduciary, other than the payment of retirement plan benefits to which a fiduciary is entitled or the payment to a fiduciary of a reasonable salary and of necessary and reasonable expenses incurred by the fiduciary in the performance of the fiduciary's duties; and

(6) the sale, exchange, loan, or lease of any item of value between a plan and a fiduciary of the plan other than for a fair market value and as a result of an arm's-length transaction.

Subd. 10. **Defined contribution plans; application.** (a) To the extent that a plan governed by chapter 352D, 353D, 354B, 354C, or 354D permits a participant or beneficiary to select among investment products for the person's account and the participant or beneficiary exercises that investment self-direction, no fiduciary is liable for any loss which may result from the participant's or beneficiary's exercise of that investment self-direction.

(b) Subdivisions 1, 2, 6, 8, and 8a do not apply to plans governed by chapter 354B or 354C.

History: 1989 c 319 art 7 s 6; 1990 c 570 art 5 s 1; 1994 c 604 art 2 s 3; 1995 c 122 s 2; 1995 c 262 art 6 s 1,2; 1996 c 399 art 2 s 12; 1996 c 438 art 4 s 7; art 10 s 2; 1997 c 202 art 2 s 63; 1998 c 386 art 2 s 90; 2000 c 461 art 12 s 18; 1Sp2001 c 10 art 3 s 26; 2002 c 363 s 41; 1Sp2005 c 8 art 9; art 10 s 66

356A.07 Benefit summary; annual reports; additional duties.

Subdivision 1. **Benefit provisions summary.** The chief administrative officer of a covered pension plan shall prepare and provide each active plan participant with a summary of the benefit provisions of the plan document. The summary must be provided within 30 days of the start or resumption of a participant's membership in the plan, or within 30 days of the date on which the start or resumption of membership was reported to a covered pension plan by a covered governmental entity, whichever is later. The summary must contain a notice that it is a summary of the plan document but is not itself the plan document, and that in the event of a discrepancy between the summary and the plan document as amended, the plan document governs. A copy of the plan document as amended must be furnished to a plan participant or benefit recipient upon request. The chief administrative officer may utilize the services of the covered governmental entity in providing the summary. The summary must be in a form reasonably calculated to be understood by an average plan participant.

Subd. 2. **Annual financial report.** A covered pension plan shall provide each active plan participant and benefit recipient with a copy of the most recent annual financial report required by section 356.20 and a copy of the most recent actuarial evaluation, if any, required by section 69.77, 69.773, 356.215, or 356.216, or a summary of those reports.

Subd. 3. **Distribution.** A covered pension plan may distribute the summaries required by this section through covered governmental entities so long as the plan has made arrangements with the entities to assure, with reasonable certainty, that the summaries will be distributed, or made easily available, to active plan participants.

Subd. 4. **Review procedure.** If a review procedure is not specified by law for a covered pension plan, the chief administrative officer of the plan shall propose, and the governing board of the plan shall adopt and implement, a procedure for reviewing a determination of eligibility, benefits, or other rights under the plan that is adverse to a plan participant or benefit recipient. The review procedure must include provisions for timely notice to the plan participant or benefit recipient and reasonable opportunity to be heard in any review proceeding conducted and may, but need not be, a contested case under chapter 14.

History: 1989 c 319 art 7 s 7

356A.08 Plan administration; additional duties.

Subdivision 1. **Public meetings.** A meeting of the governing board of a covered pension plan or of a committee of the governing board of the covered pension plan is governed by chapter 13D.

Subd. 2. **Limit on compensation.** No fiduciary of a covered pension plan or a direct relative of a fiduciary may receive any direct or indirect compensation, fee, or other item of more than nominal value from a third party in consideration for a pension plan disbursement.

History: 1989 c 319 art 7 s 8; 1Sp2001 c 10 art 4 s 2

356A.09 Fiduciary breach; remedies.

Subdivision 1. **Occurrence of breach.** A fiduciary breach occurs if a fiduciary violates the general standard of fiduciary conduct as specified in section 356A.04 in carrying out the activities of a fiduciary. A fiduciary breach also occurs if a fiduciary of a covered pension plan violates the provisions of section 356A.06, subdivision 9.

Subd. 2. **Remedies.** Remedies available for a fiduciary breach by a fiduciary are those specified by statute or available at common law.

History: 1989 c 319 art 7 s 9

356A.10 Cofiduciary responsibility and liability.

Subdivision 1. **Cofiduciary responsibility in general.** A cofiduciary has a general responsibility to oversee the fiduciary activities of all other fiduciaries unless the activity has been allocated or delegated in accordance with subdivision 3. A cofiduciary also has a general responsibility to correct or alleviate a fiduciary breach of which the cofiduciary had or ought to have had knowledge.

Subd. 2. **Cofiduciary liability.** A cofiduciary is liable for a fiduciary breach committed by another fiduciary when the cofiduciary has a responsibility to oversee the fiduciary activities of the other fiduciary or to correct or alleviate a breach by that fiduciary.

Subd. 3. **Limitation on cofiduciary responsibility.** A cofiduciary may limit cofiduciary responsibility and liability through the allocation or delegation of fiduciary activities if the allocation or delegation:

- (1) follows appropriate procedures;
- (2) is made to an appropriate person or persons; and
- (3) is subject to continued monitoring of performance.

Subd. 4. **Bar to liability in certain instances.** A properly made delegation or allocation of a fiduciary activity is a bar to liability on the part of a fiduciary making the delegation or allocation unless the fiduciary has or ought to have knowledge of the breach and takes part in the breach, conceals it, or fails to take reasonable steps to remedy it.

Subd. 5. **Extent of cofiduciary liability.** Unless liability is barred under subdivision 4, cofiduciary liability is joint and several, but a cofiduciary has the right to recover from the responsible fiduciary for any damages paid by the cofiduciary.

History: 1989 c 319 art 7 s 10

356A.11 Fiduciary indemnification.

Subdivision 1. **Indemnified fiduciaries.** A fiduciary who is a member of the governing board of a pension plan, the state board of investment or the investment advisory council, or who is an employee of a covered pension plan or of the state board of investment may be indemnified from liability for fiduciary breach. Indemnification is at the discretion of the governing board of the plan or of the state board of investment in the case of members of the state board or of the investment advisory council. A decision to indemnify a fiduciary must apply to all eligible fiduciaries of similar rank.

Subd. 2. **Allowable indemnification.** An indemnified fiduciary must be held harmless from reasonable costs or expenses incurred as a result of any actual or threatened litigation or other proceedings.

History: 1989 c 319 art 7 s 11

356A.12 Jurisdiction; service of process; and statute of limitations.

Subdivision 1. **Jurisdiction.** The district court has jurisdiction over a challenge of a fiduciary action or inaction.

Subd. 2. **Service of process.** For a fiduciary or cofiduciary alleged in the complaint to be responsible for an alleged breach, personal service of process must be obtained.

Subd. 3. **Limitations on legal actions.** A legal action challenging a fiduciary action or inaction must be timely. Notwithstanding any limitation in chapter 541, an action is timely if it is brought within the earlier of the following periods:

(1) the period ending three years after the date of the last demonstrable act representing the alleged fiduciary breach or after the final date for performance of the act the failure to perform which constitutes the alleged breach; or

(2) the period ending one year after the date of the discovery of the alleged fiduciary breach.

History: 1989 c 319 art 7 s 12

356A.13 Continuing fiduciary education.

Subdivision 1. **Obligation of fiduciaries.** A fiduciary of a covered pension plan shall make reasonable effort to obtain knowledge and skills sufficient to enable the fiduciary to perform fiduciary activities adequately. At a minimum, a fiduciary of a covered pension plan shall comply with the program established in accordance with subdivision 2.

Subd. 2. **Continuing fiduciary education program.** The governing boards of covered pension plans shall each develop and periodically revise a program for the continuing education of any of their board members and any of their chief administrative officers who are not reasonably considered to be experts with respect to their activities as fiduciaries. The program must be designed to provide those persons with knowledge and skills sufficient to enable them to perform their fiduciary activities adequately.

History: 1989 c 319 art 7 s 13

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Minnesota Statutes
Chapter 424A

Volunteer Firefighters' Retirement

(§§ 424A.001 through 424A.10)

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424A.001 Definitions.

Subdivision 1. **Terms defined.** As used in this chapter, the terms defined in this section have the meanings given.

Subd. 2. **Fire department.** "Fire department" includes municipal fire department and independent nonprofit firefighting corporation.

Subd. 3. **Municipality.** "Municipality" means a municipality which has a fire department with which the relief association is directly associated, or the municipalities which contract with the independent nonprofit firefighting corporation of which the relief association is a subsidiary.

Subd. 4. **Relief association.** "Relief association" means (a) a volunteer firefighters' relief association or volunteer firefighters' division or account of a partially salaried and partially volunteer firefighters' relief association organized and incorporated under chapter 317A and any laws of the state, governed by this chapter and chapter 69, and directly associated with a fire department established by municipal ordinance; or (b) any separate incorporated volunteer firefighters' relief association subsidiary to and providing service pension and retirement benefit coverage for members of an independent nonprofit firefighting corporation organized under the provisions of chapter 317A, governed by this chapter, and operating exclusively for firefighting purposes. A relief association is a governmental entity that receives and manages public money to provide retirement benefits for individuals providing the governmental services of firefighting and emergency first response.

Subd. 5. **Special fund.** "Special fund" means special fund of a volunteer firefighters' relief association or the account for volunteer firefighters within the special fund of a partially salaried and partially volunteer firefighters' relief association.

Subd. 6. **Surviving spouse.** 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.

Subd. 7. **Fiduciary responsibility.** In the discharge of their respective duties, the officers and trustees shall be held to the standard of care enumerated in section 11A.09. In addition, the trustees must act in accordance with chapter 356A.

Each member of the board is a fiduciary and shall undertake all fiduciary activities in accordance with the standard of care of section 11A.09, and in a manner consistent with chapter 356A. No fiduciary of a relief association shall cause a relief association to engage in a transaction if the fiduciary knows or should know that a transaction constitutes one of the following direct or indirect transactions:

- (1) sale or exchange or leasing of any real property between the relief association and a board member;
 - (2) lending of money or other extension of credit between the relief association and a board member or member of the relief association;
 - (3) furnishing of goods, services, or facilities between the relief association and a board member;
- or

(4) transfer to a board member, or use by or for the benefit of a board member, of any assets of the relief association. Transfer of assets does not mean the payment of relief association benefits or administrative expenses permitted by law.

Subd. 8. **Firefighting service.** "Firefighting service," if the applicable municipality approves for a fire department that is a municipal department, or if the contracting municipality or municipalities approve for a fire department that is an independent nonprofit firefighting corporation, includes service rendered by fire prevention personnel.

Subd. 9. **Separate from active service.** "Separate from active service" means to permanently cease to perform fire suppression duties with a particular volunteer fire department, to permanently cease to perform fire prevention duties, to permanently cease to supervise fire suppression duties, and to permanently cease to supervise fire prevention duties.

History: 1983 c 219 s 4; 1986 c 359 s 18,19; 1Sp1986 c 3 art 2 s 40; 1989 c 304 s 137; 1989 c 319 art 8 s 26; 1996 c 438 art 8 s 1,2; 2000 c 461 art 15 s 4

424A.021 Credit for break in service to provide uniformed service.

Subdivision 1. **Authorization.** Subject to restrictions stated in this section, a volunteer firefighter who is absent from firefighting service due to service in the uniformed services, as defined in United States Code, title 38, section 4303(13), may obtain service credit if the relief association is a defined benefit plan or an allocation of any fire state aid, any municipal contributions, and any investment return received by the relief association if the relief association is a defined contribution plan for the period of the uniformed service, not to exceed five years, unless a longer period is required under United States Code, title 38, section 4312.

Subd. 2. **Limitations.** (a) To be eligible for service credit or an investment return allocation under this section, the volunteer firefighter must return to firefighting service with coverage by the same relief association or by the successor to that relief association upon discharge from service in the uniformed service within the time frame required in United States Code, title 38, section 4312(e).

(b) Service credit or an investment return allocation is not authorized if the firefighter separates from uniformed service with a dishonorable or bad conduct discharge or under other than honorable conditions.

(c) Service credit or an investment return allocation is not authorized if the firefighter fails to provide notice to the fire department that the individual is leaving to provide service in the uniformed service, unless it is not feasible to provide that notice due to the emergency nature of the situation.

History: 1Sp2005 c 8 art 9 s 13

424A.01 Membership in a volunteer firefighters' relief association.

Subdivision 1. **Minors.** It is unlawful for any municipality or independent nonprofit firefighting corporation to employ a minor as a volunteer firefighter or to permit a minor to serve in any capacity performing any firefighting duties with a volunteer fire department.

Subd. 2. **Status of substitute volunteer firefighters.** No person who is serving as a substitute volunteer firefighter shall be deemed to be a firefighter for purposes of chapter 69 or this chapter nor shall be authorized to be a member of any volunteer firefighters' relief association governed by chapter 69 or this chapter.

Subd. 3. **Status of nonmember volunteer firefighters.** No person who is serving as a firefighter in a fire department but who is not a member of the applicable firefighters' relief association shall be entitled to any service pension or ancillary benefits from the relief association.

Subd. 3a. [Repealed, 1989 c 319 art 10 s 8]

Subd. 4. **Exclusion of persons constituting an unwarranted health risk.** The board of trustees of every relief association may exclude from membership in the relief association all applicants who, due to some medically determinable physical or mental impairment or condition, would constitute a predictable and unwarranted risk of imposing liability for an ancillary benefit at any age earlier than the minimum age specified for receipt of a service pension. Notwithstanding any provision of section 363.02, subdivision 5, it shall be a good and valid defense to a complaint or action brought under chapter 363 that the board of trustees of the relief association made a good faith determination that the applicant suffers from an impairment or condition constituting a predictable and unwarranted risk for the relief association if the determination was made following consideration of: (a) the person's medical history; and (b) the report of the physician completing a physical examination of the applicant completed at the expense of the relief association.

Subd. 5. **Fire prevention personnel.** (a) If the fire department is a municipal department and the applicable municipality approves, or if the fire department is an independent nonprofit firefighting corporation and the contracting municipality or municipalities approve, the fire department may employ or otherwise utilize the services of persons as volunteer firefighters to perform fire prevention duties and to supervise fire prevention activities.

(b) Personnel serving in fire prevention positions are eligible to be members of the applicable volunteer firefighter relief association and to qualify for service pension or other benefit coverage of the relief association on the same basis as fire department personnel who perform fire suppression duties.

(c) Personnel serving in fire prevention positions also are eligible to receive any other benefits under the applicable law or practice for services on the same basis as personnel employed to perform fire suppression duties.

History: 1979 c 201 s 11; 1981 c 224 s 274; 1982 c 460 s 7; 1983 c 219 s 5; 1989 c 319 art 10 s 2; 1996 c 438 art 8 s 3

424A.02 Volunteer firefighters; service pensions.

Subdivision 1. **Authorization.** (a) A relief association, when its articles of incorporation or bylaws so provide, may pay out of the assets of its special fund a service pension to each of its members who: (1) separates from active service with the fire department; (2) reaches age 50; (3) completes at least five years of active service as an active member of the municipal fire department to which the relief association is associated; (4) completes at least five years of active membership with the relief association before separation from active service; and (5) complies with any additional conditions as to age, service, and membership that are prescribed by the bylaws of the relief association. A service pension computed under this section may be prorated monthly for fractional years of service, if the bylaws or articles of incorporation of the relief association so provide. The service pension may be paid whether or not the municipality or nonprofit firefighting corporation to which the relief association is associated qualifies for fire state aid under chapter 69.

(b) In the case of a member who has completed at least five years of active service as an active member of the fire department to which the relief association is associated on the date that the relief

association is established and incorporated, the requirement that the member complete at least five years of active membership with the relief association before separation from active service may be waived by the board of trustees of the relief association if the member completes at least five years of inactive membership with the relief association before the payment of the service pension. During the period of inactive membership, the member is not entitled to receive disability benefit coverage, is not entitled to receive additional service credit towards computation of a service pension, and is considered to have the status of a person entitled to a deferred service pension under subdivision 7.

(c) No municipality or nonprofit firefighting corporation may delegate the power to take final action in setting a service pension or ancillary benefit amount or level to the board of trustees of the relief association or to approve in advance a service pension or ancillary benefit amount or level equal to the maximum amount or level that this chapter would allow rather than a specific dollar amount or level.

(d) No relief association as defined in section 424A.001, subdivision 4, may pay a service pension or disability benefit to a former member of the relief association if that person has not separated from active service with the fire department to which the relief association is directly associated, unless:

(1) the person is employed subsequent to retirement by the municipality or the independent nonprofit firefighting corporation, whichever applies, to perform duties within the municipal fire department or corporation on a full-time basis;

(2) the governing body of the municipality or of the corporation has filed its determination with the board of trustees of the relief association that the person's experience with and service to the fire department in that person's full-time capacity would be difficult to replace; and

(3) the bylaws of the relief association were amended to provide for the payment of a service pension or disability benefit for such full-time employees.

Subd. 2. **Nonforfeitable portion of service pension.** If the articles of incorporation or bylaws of a relief association so provide, a relief association may pay a reduced service pension to a retiring member who has completed fewer than 20 years of service. The reduced service pension may be paid when the retiring member meets the minimum age and service requirements of subdivision 1.

The amount of the reduced service pension may not exceed the amount calculated by multiplying the service pension appropriate for the completed years of service as specified in the bylaws times the applicable nonforfeitable percentage of pension.

For a volunteer firefighter relief association that pays a lump sum service pension, a monthly benefit service pension, or a lump sum service pension or a monthly service pension as alternative benefit forms, the nonforfeitable percentage of pension amounts are as follows:

Completed Years of Service	Nonforfeitable Percentage of Pension Amount	Completed Years of Service	Nonforfeitable Percentage of Pension Amount
5	40 percent	13	72 percent
6	44 percent	14	76 percent
7	48 percent	15	80 percent
8	52 percent	16	84 percent
9	56 percent	17	88 percent
10	60 percent	18	92 percent
11	64 percent	19	96 percent
12	68 percent	20 and thereafter	100 percent

For a volunteer firefighter relief association that pays a defined contribution service pension, the nonforfeitable percentage of pension amounts are as follows:

Completed Years of Service	Nonforfeitable Percentage of Pension Amount
5	40 percent
6	52 percent
7	64 percent
8	76 percent
9	88 percent
10 and thereafter	100 percent

Subd. 3. **Flexible service pension maximums.** (a) Annually on or before August 1 as part of the certification of the financial requirements and minimum municipal obligation determined under section 69.772, subdivision 4, or 69.773, subdivision 5, as applicable, the secretary or some other official of the relief association designated in the bylaws of each relief association shall calculate and certify to the governing body of the applicable qualified municipality the average amount of available financing per active covered firefighter for the most recent three-year period. The amount of available financing shall include any amounts of fire state aid received or receivable by the relief association, any amounts of municipal contributions to the relief association raised from levies on real estate or from other available revenue sources exclusive of fire state aid, and one-tenth of the amount of assets in excess of the accrued liabilities of the relief association calculated under section 69.772, subdivision 2; 69.773, subdivisions 2 and 4; or 69.774, subdivision 2, if any.

(b) The maximum service pension which the relief association has authority to provide for in its bylaws for payment to a member retiring after the calculation date when the minimum age and service requirements specified in subdivision 1 are met must be determined using the table in paragraph (c) or (d), whichever applies.

(c) For a relief association where the governing bylaws provide for a monthly service pension to a retiring member, the maximum monthly service pension amount per month for each year of service credited that may be provided for in the bylaws is the greater of the service pension amount provided for in the bylaws on the date of the calculation of the average amount of the available financing per active covered firefighter or the maximum service pension figure corresponding to the average amount of available financing per active covered firefighter:

Minimum Average Amount of Available Financing per Firefighter	Maximum Service Pension Amount Payable per Month for Each Year of Service	Minimum Average Amount of Available Financing per Firefighter	Maximum Service Pension Amount Payable per Month for Each Year of Service
\$. . .	\$.25	486	6.00
41	.50	567	7.00
81	1.00	648	8.00
122	1.50	729	9.00
162	2.00	810	10.00
203	2.50	891	11.00
243	3.00	972	12.00
284	3.50	1053	13.00
324	4.00	1134	14.00
365	4.50	1215	15.00
405	5.00	1296	16.00

Minimum Average Amount of Available Financing per Firefighter	Maximum Service Pension Amount Payable per Month for Each Year of Service	Minimum Average Amount of Available Financing per Firefighter	Maximum Service Pension Amount Payable per Month for Each Year of Service
1377	17.00	2997	37.00
1458	18.00	3078	38.00
1539	19.00	3159	39.00
1620	20.00	3240	40.00
1701	21.00	3321	41.00
1782	22.00	3402	42.00
1823	22.50	3483	43.00
1863	23.00	3564	44.00
1944	24.00	3645	45.00
2025	25.00	3726	46.00
2106	26.00	3807	47.00
2187	27.00	3888	48.00
2268	28.00	3969	49.00
2349	29.00	4050	50.00
2430	30.00	4131	51.00
2511	31.00	4212	52.00
2592	32.00	4293	53.00
2673	33.00	4374	54.00
2754	34.00	4455	55.00
2834	35.00	4536	56.00
2916	36.00		

(d) For a relief association in which the governing bylaws provide for a lump sum service pension to a retiring member, the maximum lump sum service pension amount for each year of service credited that may be provided for in the bylaws is the greater of the service pension amount provided for in the bylaws on the date of the calculation of the average amount of the available financing per active covered firefighter or the maximum service pension figure corresponding to the average amount of available financing per active covered firefighter for the applicable specified period:

Minimum Average Amount of Available Financing per Firefighter	Maximum Lump Sum Service Pension Amount Payable for Each Year of Service	Minimum Average Amount of Available Financing per Firefighter	Maximum Lump Sum Service Pension Amount Payable for Each Year of Service
\$...	\$ 10	86	160
11	20	97	180
16	30	108	200
23	40	131	240
27	50	151	280
32	60	173	320
43	80	194	360
54	100	216	400
65	120	239	440
77	140	259	480

Minimum Average Amount of Available Financing per Firefighter	Maximum Lump Sum Service Pension Amount Payable for Each Year of Service	Minimum Average Amount of Available Financing per Firefighter	Maximum Lump Sum Service Pension Amount Payable for Each Year of Service
281	520	2023	3750
302	560	2050	3800
324	600	2104	3900
347	640	2158	4000
367	680	2212	4100
389	720	2265	4200
410	760	2319	4300
432	800	2373	4400
486	900	2427	4500
540	1000	2481	4600
594	1100	2535	4700
648	1200	2589	4800
702	1300	2643	4900
756	1400	2697	5000
810	1500	2751	5100
864	1600	2805	5200
918	1700	2859	5300
972	1800	2913	5400
1026	1900	2967	5500
1080	2000	3021	5600
1134	2100	3075	5700
1188	2200	3129	5800
1242	2300	3183	5900
1296	2400	3237	6000
1350	2500	3291	6100
1404	2600	3345	6200
1458	2700	3399	6300
1512	2800	3453	6400
1566	2900	3507	6500
1620	3000	3561	6600
1672	3100	3615	6700
1726	3200	3669	6800
1753	3250	3723	6900
1780	3300	3777	7000
1820	3375	3831	7100
1834	3400	3885	7200
1888	3500	3939	7300
1942	3600	3993	7400
1996	3700	4047	7500

(e) For a relief association in which the governing bylaws provide for a monthly benefit service pension as an alternative form of service pension payment to a lump sum service pension, the maximum service pension amount for each pension payment type must be determined using the applicable table contained in this subdivision.

(f) If a relief association establishes a service pension in compliance with the applicable maximum contained in paragraph (c) or (d) and the minimum average amount of available financing per active covered firefighter is subsequently reduced because of a reduction in fire state aid or because of an increase in the number of active firefighters, the relief association may continue to provide the prior service pension amount specified in its bylaws, but may not increase the service pension amount until the minimum average amount of available financing per firefighter under the table in paragraph (c) or (d), whichever applies, permits.

(g) No relief association is authorized to provide a service pension in an amount greater than the largest applicable flexible service pension maximum amount even if the amount of available financing per firefighter is greater than the financing amount associated with the largest applicable flexible service pension maximum.

Subd. 3a. Penalty for paying pension greater than applicable maximum. (a) If a relief association pays a service pension greater than the maximum service pension associated with the applicable average amount of available financing per active covered firefighter under the table in subdivision 3, paragraph (c) or (d), whichever applies, the maximum service pension under subdivision 3, paragraph (f), or the applicable maximum service pension amount specified in subdivision 3, paragraph (g), whichever is less, the state auditor shall:

(1) disqualify the municipality or the nonprofit firefighting corporation associated with the relief association from receiving fire state aid by making the appropriate notification to the municipality and the commissioner of revenue, with the disqualification applicable for the next apportionment and payment of fire state aid; and

(2) recover the amount of the overpaid service pension or pensions from any retired firefighter who received an overpayment.

(b) Fire state aid amounts from disqualified municipalities for the period of disqualifications under paragraph (a), clause (1), must be credited to the amount of fire insurance premium tax proceeds available for the next subsequent fire state aid apportionment.

(c) The amount of any overpaid service pension recovered under paragraph (a), clause (2), must be credited to the amount of fire insurance premium tax proceeds available for the next subsequent fire state aid apportionment.

(d) The determination of the state auditor that a relief association has paid a service pension greater than the applicable maximum must be made on the basis of the information filed by the relief association and the municipality with the state auditor under sections 69.011, subdivision 2, and 69.051, subdivision 1 or 1a, whichever applies, and any other relevant information that comes to the attention of the state auditor. The determination of the state auditor is final. An aggrieved municipality, relief association, or person may appeal the determination under section 480A.06.

Subd. 4. Defined contribution lump sum service pensions. (a) If the bylaws governing the relief association so provide exclusively, the relief association may pay a defined contribution lump sum service pension in lieu of any defined benefit service pension governed by subdivision 2.

(b) An individual account for each firefighter who is a member of the relief association must be established. To each individual active member account must be credited an equal share of: (1) any amounts of fire state aid received by the relief association; (2) any amounts of municipal contributions to the relief association raised from levies on real estate or from other available revenue sources exclusive of fire state aid; and (3) any amounts equal to the share of the assets of the special fund to the credit of: (i) any former member who terminated active service with the fire department to which the relief association is associated before meeting the minimum service requirement provided for in subdivision 1 and has not returned to active service with the fire department for a period no shorter than five years; or (ii) any retired member who retired before obtaining a full nonforfeitable interest in the amounts

credited to the individual member account under subdivision 2 and any applicable provision of the bylaws of the relief association. In addition, any investment return on the assets of the special fund must be credited in proportion to the share of the assets of the special fund to the credit of each individual active member account through the date on which the investment return is recognized by and credited to the special fund.

(c) At the time of retirement under subdivision 1 and any applicable provision of the bylaws of the relief association, a retiring member is entitled to that portion of the assets of the special fund to the credit of the member in the individual member account which is nonforfeitable under subdivision 2 and any applicable provision of the bylaws of the relief association based on the number of years of service to the credit of the retiring member.

Subd. 5. [Repealed, 1999 c 222 art 11 s 1]

Subd. 6. **Payment of service pensions; nonassignability.** The method of calculating service pensions shall be applied uniformly for all years of active service and credit shall be given for all years of active service, except as otherwise provided in this section. No service pension shall be paid to any person while the person remains an active member of the respective fire department, and no person who is receiving a service pension shall be entitled to receive any other benefits from the special fund of the relief association. No service pension or ancillary benefits paid or payable from the special fund of a relief association to any person receiving or entitled to receive a service pension or ancillary benefits shall be subject to garnishment, judgment, execution, or other legal process, except as provided in section 518.58, 518.581, or 518.6111. No person entitled to a service pension or ancillary benefits from the special fund of a relief association may assign any service pension or ancillary benefit payments, nor shall the association have the authority to recognize any assignment or pay over any sum which has been assigned.

Subd. 7. **Deferred service pensions.** (a) A member of a relief association is entitled to a deferred service pension if the member:

- (1) has completed the lesser of the minimum period of active service with the fire department specified in the bylaws or 20 years of active service with the fire department;
- (2) has completed at least five years of active membership in the relief association; and
- (3) separates from active service and membership before reaching age 50 or the minimum age for retirement and age is greater than age 50.

(b) The deferred commencement of a service pension specified in the bylaws governing the relief association if that service pension is payable when the former member reaches age 50, or the minimum age specified in the bylaws governing the relief association if that age is greater than age 50, and when the former member makes a valid written application.

(c) 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:

- (1) at the investment performance rate actually earned on that portion of the assets if the deferred benefit amount is invested by the relief association in a separate account established and maintained by the relief association or if the deferred benefit amount is invested in a separate investment vehicle held by the relief association;
- (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.

A relief association may not use the method provided for in clause (3), until it has modified its bylaws to be consistent with that clause.

(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, whichever 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.

(e) A relief association that provides a defined contribution service pension may, if its governing bylaws so provide, credit interest or additional investment performance on the deferred lump sum service pension during the period of deferral. If provided for in the bylaws, the interest must be paid in one of the manners specified in paragraph (c) or alternatively the relief association may credit any investment return on the assets of the special fund of the defined contribution volunteer firefighter relief association in proportion to the share of the assets of the special fund to the credit of each individual deferred member account through the date on which the investment return is recognized by and credited to the special fund.

(f) For a deferred service pension that is transferred to a separate account established and maintained by the relief association or separate investment vehicle held by the relief association, the deferred member bears the full investment risk subsequent to transfer and in calculating the accrued liability of the volunteer firefighters relief association that pays a lump sum service pension, the accrued liability for deferred service pensions is equal to the separate relief association account balance or the fair market value of the separate investment vehicle held by the relief association.

(g) The deferred service pension is governed by and must be calculated under the general statute, special law, relief association articles of incorporation, and relief association bylaw provisions applicable on the date on which the member separated from active service with the fire department and active membership in the relief association.

Subd. 8. Lump sum service pensions; installment payments. Any relief association, if the governing bylaws so provide, may pay, at the option of the retiring member and in lieu of a single payment of a lump sum service pension, a lump sum service pension in installments.

The election of installment payments shall be irrevocable and shall be made by the retiring member in writing and filed with the secretary of the relief association no later than 30 days prior to the commencement of payment of the service pension. The amount of the installment payments shall be determined so that the present value of the aggregate installment payments computed at an interest rate of five percent, compounded annually, is equal to the amount of the single lump sum payment which would have been made had the installment payments option not been elected. The payment of each installment shall include interest at the rate of five percent, compounded annually on the reserve supporting the remaining installment payments as of the date on which the previous installment payment was paid and computed from the date on which the previous installment payment was paid to the date of payment for the current installment payment.

To the extent that the commissioner of commerce deems it to be necessary or practical, the commissioner may specify and issue procedures, forms or mathematical tables for use in performing the calculations required pursuant to this subdivision.

Subd. 8a. Purchase of annuity contracts. A relief association providing a lump-sum service pension, if the governing articles of incorporation or bylaws so provide, may purchase an annuity contract on behalf of a retiring member in an amount equal to the service pension otherwise payable at the request of the person and in place of a direct payment to the person. The annuity contract must be purchased from an insurance carrier licensed to do business in this state and approved for this product by the commerce commissioner under section 60A.40.

Subd. 8b. **Transfer to individual retirement account.** A relief association that is a qualified pension plan under section 401(a) of the federal Internal Revenue Code, as amended, and that provides a lump sum service pension, at the written request of a retiring member, may directly transfer the eligible member's lump sum pension to the member's individual retirement account under section 408(a) of the federal Internal Revenue Code, as amended.

Subd. 9. **Limitation on ancillary benefits.** Any relief association, including any volunteer firefighters relief association governed by section 69.77 or any volunteer firefighters division of a relief association governed by chapter 424, may only pay ancillary benefits which would constitute an authorized disbursement as specified in section 424A.05 subject to the following requirements or limitations:

(1) with respect to a relief association in which governing bylaws provide for a lump sum service pension to a retiring member, no ancillary benefit may be paid to any former member or paid to any person on behalf of any former member after the former member (i) terminates active service with the fire department and active membership in the relief association; and (ii) commences receipt of a service pension as authorized under this section; and

(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 the payment of a survivor benefit in an amount not to exceed five times the yearly service pension amount specified in 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.

Subd. 9a. **Postretirement increases.** Notwithstanding any provision of general or special law to the contrary, a relief association paying a monthly service pension may provide a postretirement increase to retired members and ancillary benefit recipients of the relief association if (1) the relief association adopts an appropriate bylaw amendment; and (2) the bylaw amendment is approved by the municipality pursuant to subdivision 10 and section 69.773, subdivision 6. The postretirement increase shall be applicable only to retired members and ancillary benefit recipients receiving a service pension or ancillary benefit as of the effective date of the bylaw amendment. The authority to provide a postretirement increase to retired members and ancillary benefit recipients of a relief association contained in this subdivision shall supersede any prior special law authorization relating to the provision of postretirement 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 new relief association upon completion of a combined total of 20 years active service in the disbanded and the new departments. The amount of the service pension shall be based upon years of service in the new department only, and shall be in an amount equal to the accrued liability for the appropriate years of service calculated in accordance with section 69.772, subdivision 2.

Subd. 13. Combined service pensions. (a) If the articles of incorporation or bylaws of the associations so provide, a volunteer firefighter with credit for service as an active firefighter in more

than one volunteer firefighters relief association is entitled, when the applicable requirements of paragraph (b) are met and when otherwise qualified, to a prorated service credit from each relief association.

(b) A volunteer firefighter receiving a prorated service pension under this subdivision must have total service credit of ten years or more, if every affected relief association does not require only a five-year service vesting requirement, or five years or more, if every affected relief association requires only a five-year service vesting requirement, as a member of two or more relief associations otherwise qualified. The member must have one year or more of service credit in each relief association. The prorated service pension must be based on the service pension amount in effect for the relief association on the date on which active volunteer firefighting services covered by that relief association terminate. To receive a service pension under this subdivision, the firefighter must become a member of the second or succeeding association and must give notice of membership to the prior association within two years of the date of termination of active service with the prior association. The notice must be attested to by the second or subsequent association secretary.

History: 1979 c 201 s 12; 1980 c 607 art 15 s 11; 1981 c 224 s 208,209,274; 1982 c 421 s 3; 1982 c 460 s 8; 1982 c 465 s 7,8; 1983 c 219 s 6; 1983 c 286 s 21; 1983 c 289 s 114 subd 1; 1984 c 547 s 15; 1984 c 655 art 1 s 92; 1985 c 261 s 8-10; 1Sp1985 c 7 s 35; 1987 c 372 art 1 s 22; 1988 c 668 s 9; 1988 c 709 art 7 s 2,3; 1989 c 319 art 10 s 3-6; 1990 c 570 art 14 s 1; 1993 c 244 art 1 s 1-3; art 3 s 1; 1996 c 438 art 8 s 4; 1997 c 203 art 6 s 92; 1997 c 241 art 6 s 1; art 10 s 5; 2000 c 461 art 15 s 5-9; 2002 c 392 art 13 s 1; 2004 c 251 art 14; 1Sp2005 c 8 art 9 s 10-12

*NOTE: The deferred service pension interest crediting procedure of subdivision 7, paragraph (c), clause (3), expires on December 31, 2008. Laws 2004, chapter 267, article 14, section 5, paragraph (d).

424A.03 Uniformity of volunteer firefighter service pension and retirement benefits.

Subdivision 1. **Limitation on nonuniformity of pensions.** Every partially salaried and partially volunteer firefighters' relief association shall provide service pensions to volunteer firefighter members based on the years of service of the members not on the compensation paid to the members for firefighting services. Each relief association shall provide service pensions to salaried members as set forth in chapter 424 and applicable special laws.

Subd. 2. **Penalties for violations.** Any municipality which has a fire department to which a relief association which violates the provisions of subdivision 1 is directly associated or which contracts with an independent nonprofit firefighting corporation of which a relief association which violates the provisions of subdivision 1 is a subsidiary shall not be included in the apportionment of fire state aid by the commissioner of commerce to the applicable county auditor pursuant to section 69.021, subdivision 6, and shall not be included in the apportionment of fire state aid by the county auditor to the various municipalities pursuant to section 69.021, subdivision 7.

Subd. 3. **Exception to application of limitation and penalty.** The limitation provided for in subdivision 1 shall not apply to any relief association which prior to January 1, 1957, had established a definite service pension formula for members of the partially salaried and partially volunteer firefighters' relief association who are regularly employed firefighters.

History: 1979 c 201 s 13; 1983 c 219 s 7; 1983 c 289 s 114 subd 1; 1984 c 655 art 1 s 92

424A.04 Volunteer relief associations; board of trustees.

Subdivision 1. **Membership.** (a) A relief association that is directly associated with a municipal fire department must be managed by a board of trustees consisting of nine members. Six trustees must be elected from the membership of the relief association and three trustees must be drawn from the officials of the municipalities served by the fire department to which the relief association is directly associated. The bylaws of a relief association which provides a monthly benefit service pension may provide that one of the six trustees elected from the relief association membership may be a retired member receiving a monthly pension who is elected by the membership of the relief association. The three municipal trustees must be one elected municipal official and one elected or appointed municipal official who are designated as municipal representatives by the municipal governing board annually and the chief of the municipal fire department.

(b) A relief association that is a subsidiary of an independent nonprofit firefighting corporation must be managed by a board of trustees consisting of nine members. Six trustees must be elected from the membership of the relief association, two trustees must be drawn from the officials of the municipalities served by the fire department to which the relief association is directly associated, and one trustee shall be the fire chief serving with the independent nonprofit firefighting corporation. The bylaws of a relief association may provide that one of the six trustees elected from the relief association membership may be a retired member receiving a monthly pension who is elected by the membership of the relief association. The two municipal trustees must be elected or appointed municipal officials, selected as follows:

(1) if only one municipality contracts with the independent nonprofit firefighting corporation, the municipal trustees must be two officials of the contracting municipality who are designated annually by the governing body of the municipality; or

(2) if two or more municipalities contract with the independent nonprofit corporation, the municipal trustees must be one official from each of the two largest municipalities in population who are designated annually by the governing bodies of the applicable municipalities.

(c) The municipal trustees for a relief association that is directly associated with a fire department operated as or by a joint powers entity must be designated annually by the joint powers board. The municipal trustees for a relief association that is directly associated with a fire department service area township must be designated by the township board.

(d) If a relief association lacks the municipal board members provided for in paragraph (a), (b), or (c) because the fire department is not located in or associated with an organized municipality, joint powers entity, or township, the municipal board members must be appointed from the fire department service area by the board of commissioners of the applicable county.

(e) The term of these appointed municipal board members is one year or until the person's successor is qualified, whichever is later.

(f) A municipal trustee under paragraph (a), (b), (c), or (d) has all the rights and duties accorded to any other trustee, except the right to be an officer of the relief association board of trustees.

(g) A board must have at least three officers, who are a president, a secretary and a treasurer. These officers must be elected from among the elected trustees by either the full board of trustees or by the membership, as specified in the bylaws. In no event may any trustee hold more than one officer position at any one time. The terms of the elected trustees and of the officers of the board must be specified in the bylaws of the relief association, but may not exceed three years. If the term of the elected trustees exceeds one year, the election of the various trustees elected from the membership must be staggered on as equal a basis as is practicable.

Subd. 2. **Fiduciary duty.** The board of trustees shall undertake their activities consistent with chapter 356A.

Subd. 3. **Conditions on relief association consultants.** (a) If a volunteer firefighter relief association hires or contracts with a consultant to provide legal or financial advice, the association shall obtain and the consultant shall provide a copy of the consultant's certificate of insurance.

(b) A consultant is any person who is employed under contract to provide legal or financial advice and who is or who represents to the volunteer firefighter relief association that the person is:

- (1) an actuary;
- (2) a licensed public accountant or a certified public accountant;
- (3) an attorney;
- (4) an investment advisor or manager, or an investment counselor;
- (5) an investment advisor or manager selection consultant;
- (6) a pension benefit design advisor or consultant; or
- (7) any other financial consultant.

History: 1979 c 201 s 14; 1980 c 607 art 15 s 12; 1981 c 224 s 210; 1983 c 219 s 8; 1989 c 319 art 8 s 27; 2000 c 461 art 15 s 10; 1Sp2001 c 10 art 16 s 1; 1Sp2005 c 8 art 9 s 14

424A.05 Relief association special fund.

Subdivision 1. **Establishment of special fund.** Every relief association shall establish and maintain a special fund within the relief association.

Subd. 2. **Special fund assets and revenues.** The special fund shall be credited with all fire state aid moneys received pursuant to sections 69.011 to 69.051, all taxes levied by or other revenues received from the municipality pursuant to sections 69.771 to 69.776 or any applicable special law requiring municipal support for the relief association, any moneys or property donated, given, granted or devised by any person which is specified for use for the support of the special fund and any interest earned upon the assets of the special fund. The treasurer of the relief association shall be the custodian of the assets of the special fund and shall be the recipient on behalf of the special fund of all revenues payable to the special fund. The treasurer shall maintain adequate records documenting any transaction involving the assets or the revenues of the special fund. These records and the bylaws of the relief association shall be public and shall be open for inspection by any member of the relief association, any officer or employee of the state or the municipality, or any member of the public, at reasonable times and places.

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:

- (1) for the payment of service pensions to retired members of the relief association if authorized and paid pursuant to law and the bylaws governing the relief association;
- (2) for the payment of temporary or permanent disability benefits to disabled members of the relief association if authorized and paid pursuant to law and specified in amount in the bylaws governing the relief association;
- (3) for the payment of survivor benefits to surviving spouses and surviving children, or if none, to designated beneficiaries, of deceased members of the relief association if authorized by and paid pursuant to law and specified in amount in the bylaws governing the relief association;
- (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;

(5) for the payment of the fees, dues and assessments to the Minnesota state fire department association, to the Minnesota area relief association coalition, and to the state volunteer firefighters benefit association in order to entitle relief association members to membership in and the benefits of these associations or organizations; and

(6) for the payment of administrative expenses of the relief association as authorized pursuant to section 69.80.

(b) For purposes of this chapter, a designated beneficiary must be a natural person.

Subd. 4. **Investments of assets of the special fund.** The assets of the special fund shall be invested only in securities authorized by section 69.775.

History: 1979 c 201 s 15; 1981 c 224 s 211; 1981 c 224 s 274; 1983 c 219 s 9; 2000 c 461 art 15 s 11

424A.06 Relief association general fund.

Subdivision 1. **Establishment of general fund.** Any volunteer firefighters' relief association may establish and maintain a general fund within the relief association.

Subd. 2. **General fund assets and revenues.** To the general fund, if established, shall be credited all moneys received from dues, fines, initiation fees, entertainment revenues and any moneys or property donated, given, granted or devised by any person, for unspecified uses. The treasurer of the relief association shall be the custodian of the assets of the general fund and shall be the recipient on behalf of the general fund of all revenues payable to the general fund. The treasurer shall maintain adequate records documenting any transaction involving the assets or the revenues of the general fund. These records shall be open for inspection by any member of the relief association at reasonable times and places.

Subd. 3. **Authorized disbursements from the general fund.** Disbursements from the general fund may be made for any purpose authorized by either the articles of incorporation or bylaws of the relief association.

Subd. 4. **Investment of assets of the general fund.** The assets of the general fund may be invested in any securities authorized by the bylaws of the relief association and may be certified for investment by the state board of investment in fixed income pools or in a separately managed account at the discretion of the state board of investment as provided in section 11A.14.

History: 1979 c 201 s 16; 1980 c 509 s 163; 1993 c 300 s 13

424A.07 Nonprofit firefighting corporations; establishment of relief associations.

Prior to paying any service pensions or retirement benefits pursuant to section 424A.02 or becoming entitled to receive any amounts of fire state aid upon transmittal from a contracting municipality pursuant to section 69.031, subdivision 5, a nonprofit firefighting corporation shall establish a relief association governed by this chapter.

History: 1979 c 201 s 17; 1981 c 224 s 274

424A.08 Municipality without relief association; authorized disbursements.

Any qualified municipality which is entitled to receive fire state aid but which has no volunteer firefighters' relief association directly associated with its fire department shall deposit the fire state aid in a special account in the municipal treasury. Disbursement from the special account shall not be made for any purpose except:

- (1) payment of the fees, dues and assessments to the Minnesota state fire department association and to the state volunteer firefighters' benefit association in order to entitle its firefighters to membership in and the benefits of these state associations;
- (2) payment of the cost of purchasing and maintaining needed equipment for the fire department; and
- (3) payment of the cost for construction, acquisition, repair and maintenance of buildings or other premises to house the fire department.

History: 1979 c 201 s 18; 1983 c 219 s 10

424A.09 Application to certain relief associations.

This chapter supersedes any special law applicable to any municipal volunteer firefighters' relief association or independent nonprofit firefighting corporation specifically authorizing the relief association or nonprofit firefighting corporation to exceed the service pension limitations contained in Minnesota Statutes 1978, sections 69.06 and 69.691. Any relief association which amended its bylaws to provide for a full pro rata service pension amount at the specified retirement age with 15 years service credit or 75 percent of the pro rata service pension amount at the specified retirement age with ten years of service under Minnesota Statutes 1978, section 69.06, may continue to provide the specified service pension amounts at the applicable years of credited service to any member who has credit for at least ten or 15 years, whichever is the applicable minimum service period specified in the bylaws governing the relief association, on or before December 31, 1979.

History: 1979 c 201 s 19; 1981 c 224 s 274; 2002 c 392 art 1 s 6

424A.10 State supplemental benefit; volunteer firefighters.

Subdivision 1. **Definition.** For purposes of this section, "qualified recipient" means an individual who receives a lump sum distribution of pension or retirement benefits from a firefighters' relief association for service performed as a volunteer firefighter.

Subd. 2. **Payment of supplemental benefit.** Upon the payment by a firefighters' relief association of a lump sum distribution to a qualified recipient, the association must pay a supplemental benefit to the qualified recipient. Notwithstanding any law to the contrary, the relief association may pay the supplemental benefit out of its special fund. The amount of this benefit equals ten percent of the regular lump sum distribution that is paid on the basis of service as a volunteer firefighter. In no case may the amount of the supplemental benefit exceed \$1,000.

Subd. 3. **State reimbursement.** By February 15 of each year, the relief association shall apply to the commissioner of revenue for state reimbursement of the amount of supplemental benefits paid under subdivision 2 during the preceding calendar year. By March 15 the commissioner shall reimburse

the relief association for the amount of the supplemental benefits paid to qualified recipients. The commissioner of revenue shall prescribe the form of and supporting information that must be supplied as part of the application for state reimbursement. The reimbursement payment must be deposited in the special fund of the relief association. A sum sufficient to make the payments is appropriated from the general fund to the commissioner of revenue.

Subd. 4. **In lieu of income tax exclusion.** The supplemental benefit provided by this section is in lieu of the state income tax exclusion for lump sum distributions of retirement benefits paid to volunteer firefighters. If the law is modified to exclude or exempt volunteer firefighters' lump sum distributions from state income taxation, the supplemental benefits under this section may no longer be paid beginning with the first calendar year in which the exclusion or exemption is effective. This subdivision does not apply to exemption of all or part of a lump sum distribution under section 290.032 or 290.0802.

History: 1988 c 719 art 19 s 22; 1989 c 319 art 10 s 7; 1993 c 307 art 9 s 1

Minnesota Statutes
Chapter 424B

**Volunteer Firefighter Relief Associations,
Dissolutions, and Consolidations**

(§§ 424B.01 through 424B.21)

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424B.01 Definitions.

Subdivision 1. **Generally.** Unless the context of the provision indicates that a different meaning is intended, each of the terms in the following subdivisions has the meaning indicated.

Subd. 2. **Applicable municipality.** "Applicable municipality" means the municipality or municipalities in which a consolidating relief association is located and to which a consolidating relief association is associated by virtue of the presence of at least one municipal official on the relief association board of trustees under section 424A.04.

Subd. 3. **Consolidating relief association.** "Consolidating relief association" means a volunteer firefighters relief association organized under chapter 317A and governed by chapter 424A that has initiated or has completed the process of consolidating with one or more other relief associations under this chapter.

Subd. 4. **Prior relief associations.** "Prior relief associations" means the two or more volunteer firefighters relief associations that have initiated the consolidation process under this chapter by action of the board of trustees of the relief association.

Subd. 5. **Relief association membership.** "Relief association membership" means all active members of the volunteer firefighters relief association, all deferred retirees and other vested inactive members of the volunteer firefighters relief association, and any persons regularly receiving a service pension or other retirement benefit from the volunteer firefighters relief association.

Subd. 6. **Subsequent relief association.** "Subsequent relief association" means the volunteer firefighters relief association that is designated to be the successor relief association in the consolidation initiative resolutions of the board of trustees of the prior relief associations or the volunteer firefighters relief association organized under chapters 317A and 424A for the purpose of operating as the successor relief association after consolidation under this chapter.

History: 2000 c 461 art 16 s 1

424B.02 Consolidation authorized.

Subdivision 1. **Initiation.** (a) With the approval of the governing body of each applicable municipality, two or more relief associations associated with fire departments serving contiguous fire districts may initiate the consolidation of the relief associations into a subsequent relief association.

(b) Initiation of a consolidation action must occur through the proposal of a consolidation resolution to the board of trustees of each volunteer firefighters relief association notification of the relief association membership of the potential consolidation and after conducting a public meeting on the consolidation question.

Subd. 2. **Initiative processing; filing.** (a) After a consolidation initiative resolution has been filed with the relief association board of trustees by one or more members of the board, the relief association secretary shall provide written notification of the initiative to the relief association membership. After notification of the relief association membership, the board of trustees must hold a public hearing on the initiative. After the hearing, the board of trustees shall act on the consolidation resolution.

(b) If the consolidation resolution is adopted by majority vote of the board of trustees, the secretary shall file a copy of the resolution with the other relief association or associations also considering consolidation.

(c) If two or more volunteer firefighters relief associations adopt a consolidation resolution, those relief associations are consolidated effective the next following January 1.

(d) Within 30 days of the adoption of the consolidation resolution by all prior relief associations, the secretaries of the applicable prior relief associations shall jointly notify in writing the state auditor, the commissioner of revenue, and the secretary of state of the consolidation.

History: 2000 c 461 art 16 s 2

424B.03 Subsequent relief association.

Subdivision 1. **New relief association.** If the subsequent relief association is a new volunteer firefighters relief association, the consolidated volunteer firefighters relief association must be incorporated under chapter 317A. The incorporators of the consolidated relief association must include at least one board member of each of the former volunteer firefighters relief associations.

Subd. 2. **Successor relief association.** If the subsequent relief association is one of the prior relief associations, the articles of incorporation and bylaws must be appropriately revised, effective on the consolidation effective date, and a revised board of trustees must be elected before the consolidation effective date.

History: 2000 c 461 art 16 s 3

424B.04 Governance of consolidated volunteer firefighters relief association.

Subdivision 1. **Board of trustees.** The consolidated volunteer firefighters relief association is governed by a board of trustees as provided in section 424A.04, subdivision 1.

Subd. 2. **Composition of board.** The board must have three officers, including a president, a secretary, and a treasurer. The membership of the consolidated volunteer firefighters relief association must elect the three officers from the board members. A board of trustees member may not hold more than one officer position at the same time.

Subd. 3. **Board administration.** The board of trustees must administer the affairs of the relief association consistent with this chapter and the applicable provisions of chapters 69, 356A, and 424A.

History: 2000 c 461 art 16 s 4

424B.05 Special and general funds.

The consolidated volunteer firefighters relief association must establish and maintain a special fund and a general fund. The special fund must be established and maintained as provided in section 424A.05. The general fund must be established and maintained as provided in section 424A.06.

History: 2000 c 461 art 16 s 5

424B.06 Transfers.

Subdivision 1. **Generally.** On the effective date of consolidation, the records, assets, and liabilities of the prior volunteer firefighters relief associations are transferred to the consolidated volunteer firefighters relief association. On the effective date of consolidation, the prior volunteer firefighters relief associations cease to exist as legal entities, except for the purposes of winding up association affairs as provided by this chapter.

Subd. 2. **Transfer of administration.** On the effective date of consolidation, the administration of the prior relief associations is transferred to the board of trustees of the subsequent volunteer firefighters relief association.

Subd. 3. **Transfer of records.** On the effective date of consolidation, the secretary and the treasurer of the prior volunteer firefighters relief associations shall transfer all records and documents relating to the prior relief associations to the secretary and treasurer of the subsequent volunteer firefighters relief association.

Subd. 4. **Transfer of special fund assets and liabilities.** (a) On the effective date of consolidation, the secretary and the treasurer of a prior volunteer firefighters relief association shall transfer the assets of the special fund of the applicable relief association to the special fund of the subsequent relief association. Unless the appropriate secretary and treasurer decide otherwise, the assets may be transferred as investment securities rather than cash. The transfer must include any accounts receivable. The appropriate secretary must settle any accounts payable from the special fund of the relief association before the effective date of consolidation.

(b) Upon the transfer of the assets of the special fund of a prior relief association, the pension liabilities of that special fund become the obligation of the special fund of the subsequent volunteer firefighters relief association.

(c) Upon the transfer of the prior relief association special fund assets, the board of trustees of the subsequent volunteer firefighters relief association has legal title to and management responsibility for the transferred assets as trustees for persons having a beneficial interest in those assets arising out of the benefit coverage provided by the prior relief association.

(d) The subsequent volunteer firefighters relief association is the successor in interest in all claims for and against the special funds of the prior volunteer firefighters relief associations or the applicable municipalities with respect to the special funds of the prior relief associations. The status of successor in interest does not apply to any claim against a prior relief association, the municipality in which that relief association is located, or any person connected with the prior relief association or the municipality, based on any act or acts that were not done in good faith and that constituted a breach of fiduciary responsibility under common law or chapter 356A.

History: 2000 c 461 art 16 s 6

424B.07 Dissolution of prior general fund balances.

Before the effective date of consolidation, the secretaries of the volunteer firefighters relief associations shall settle any accounts payable from the respective general fund or any other relief

association fund in addition to the relief association special fund. Investments held by a fund of the prior relief associations in addition to the special fund must be liquidated before the effective date of consolidation as the bylaws of the relief association provide. Before the effective date of consolidation, the respective relief associations must pay all applicable general fund expenses from their respective general funds. Any balance remaining in the general fund or in a fund other than the relief association special fund as of the effective date of consolidation must be paid to the new general fund of the subsequent volunteer firefighters relief association.

History: 2000 c 461 art 16 s 7

424B.08 Termination of prior relief associations.

Following the transfer of administration, records, special fund assets, and special fund liabilities from the prior relief associations to the subsequent volunteer firefighters relief association, the prior volunteer firefighters relief associations cease to exist as legal entities for any purpose. The subsequent relief association secretary shall notify the following governmental officials of the termination of the respective volunteer firefighters relief associations and of the establishment of the subsequent volunteer firefighters relief association:

- (1) Minnesota secretary of state;
- (2) Minnesota state auditor;
- (3) Minnesota commissioner of revenue; and
- (4) commissioner of the federal Internal Revenue Service.

History: 2000 c 461 art 16 s 8

424B.09 Administrative expenses.

The payment of authorized administrative expenses of the subsequent volunteer firefighters relief association must be from the special fund of the subsequent volunteer firefighters relief association in accordance with section 69.80, and as provided for in the bylaws of the subsequent volunteer firefighters relief association and approved by the board of trustees of the subsequent volunteer firefighters relief association. The payment of any other expenses of the subsequent volunteer firefighters relief association must be from the general fund of the subsequent volunteer firefighters relief association in accordance with section 69.80 and as provided for in the bylaws of the subsequent volunteer firefighters relief association and approved by the board of trustees of the subsequent volunteer firefighters relief association.

History: 2000 c 461 art 16 s 9

424B.10 Benefits; funding.

Subdivision 1. **Benefits.** (a) Notwithstanding any provision of section 424A.02, subdivision 3, to the contrary, the service pension of the subsequent relief association as of the effective date of consolidation is either the service pension amount specified in clause (1) or the service pension amounts specified in clause (2), as provided for in the consolidated relief association's articles of incorporation or bylaws:

(1) the highest dollar amount service pension amount of any prior volunteer firefighters relief association in effect immediately before the consolidation initiation if the pension amount was implemented consistent with section 424A.02; or

(2) for service rendered by each individual volunteer firefighter before consolidation, the service pension amount under the consolidating volunteer firefighters relief association that the firefighter belonged to immediately before the consolidation if the pension amount was implemented consistent with section 424A.02 and for service rendered after the effective date of the consolidation, the highest dollar amount service pension of any of the consolidating volunteer firefighters relief associations in effect immediately before the consolidation if the pension amount was implemented consistent with section 424A.02.

(b) Any increase in the service pension amount beyond the amount implemented under paragraph (a) must conform with the requirements and limitations of sections 69.771 to 69.775 and 424A.02.

Subd. 2. **Funding.** (a) Unless the applicable municipalities agree in writing to allocate the minimum municipal obligation in a different manner, the minimum municipal obligation under section 69.772 or 69.773, whichever applies, must be allocated between the applicable municipalities in proportion to their fire state aid.

(b) If any applicable municipality fails to meet its portion of the minimum municipal obligation to the subsequent relief association, all other applicable municipalities are jointly obligated to provide the required funding upon certification by the relief association secretary. An applicable municipality that pays the minimum municipal obligation for another applicable municipality, the municipality may collect the payment amount, plus a 25 percent surcharge, from the responsible applicable municipality by any available means, including deduction from any state aid or payment amount payable to the responsible municipality upon certification of the necessary information to the commissioner of finance.

History: 2000 c 461 art 16 s 10; 1Sp2005 c 8 art 9 s 15

424B.20 Dissolution without consolidation.

Subdivision 1. **Applicable dissolutions.** This section applies if the fire department associated with a volunteer firefighters relief association is dissolved or eliminated by action of the governing body of the municipality in which the fire department was located or by the independent nonprofit firefighting corporation, whichever applies, and no consolidation with another volunteer firefighters relief association under sections 424B.01 to 424B.10 is sought, or if a volunteer firefighters relief association is dissolved or eliminated with municipal approval, but the fire department associated with the volunteer firefighters relief association is not dissolved or eliminated, and no consolidation with another volunteer firefighters relief association under sections 424B.01 to 424B.10 is applicable.

Subd. 2. **Procedures.** As part of the dissolution process, all legal obligations of the relief association other than service pensions and benefits must be settled under subdivision 3, a benefit trust must be established under subdivision 4, and the affairs of the relief association must be concluded under subdivision 5.

Subd. 3. **Settlement of nonbenefit legal obligations.** (a) Prior to the effective date of the dissolution of the volunteer firefighters relief association established by the relief association board of trustees, the board shall determine the following:

(1) the fair market value of the assets of the special fund;

(2) the total amount of the accounts payable and other legal obligations of the special fund, excluding the accrued liability of the special fund for service pensions and other benefits; and

(3) the accrued liability of the special fund for service pensions and other benefits payable or accrued under the applicable bylaws of the relief association and chapter 424A.

(b) On or before the effective date of the dissolution of the volunteer firefighters relief association, the board shall liquidate sufficient special fund assets to pay the legal obligations of the special fund and must settle those legal obligations.

(c) On or before the effective date of the dissolution of the volunteer firefighters relief association, the board shall settle the legal obligations of the general fund of the relief association.

Subd. 4. Benefit trust fund establishment. (a) After the settlement of nonbenefit legal obligations of the special fund of the volunteer firefighters relief association under subdivision 3, the board of the relief association shall transfer the remaining assets of the special fund, as securities or in cash, as applicable, to the chief financial official of the municipality in which the associated fire department was located if the fire department was a municipal fire department or to the chief financial official of the municipality with the largest population served by the fire department if the fire department was an independent nonprofit firefighting corporation. The board shall also compile a schedule of the relief association members to whom a service pension is or will be owed, any beneficiary to whom a benefit is owed, the amount of the service pension or benefit payable based on the applicable bylaws and state law and the service rendered to the date of the dissolution, and the date on which the pension or benefit would first be payable under the bylaws of the relief association and state law.

(b) The municipality in which is located a volunteer firefighters relief association that is dissolving under this section shall establish a separate account in the municipal treasury which must function as a trust fund for members of the volunteer firefighters relief association and their beneficiaries to whom the volunteer firefighters relief association owes a service pension or other benefit under the bylaws of the relief association and state law. Upon proper application, on or after the initial date on which the service pension or benefit is payable, the municipal treasurer shall pay the pension or benefit due, based on the schedule prepared under paragraph (a) and the other records of the dissolved relief association. The trust fund under this section must be invested and managed consistent with section 69.775 and chapter 356A. Upon payment of the last service pension or benefit due and owing, any remaining assets in the trust fund cancel to the general fund of the municipality. If the special fund of the volunteer firefighters relief association had an unfunded actuarial accrued liability upon dissolution, the municipality is liable for that unfunded actuarial accrued liability.

Subd. 5. Relief association affairs wind-up. Upon dissolution, the board of trustees of the volunteer firefighters relief association shall transfer the records of the relief association to the chief administrative officer of the applicable municipality. The board shall also notify the commissioner of revenue, the state auditor, and the secretary of state of the dissolution within 30 days of the effective date of the dissolution.

History: 2000 c 461 art 16 s 11

424B.21 Annuity purchases upon dissolution.

The board of trustees of a volunteer firefighters relief association that is scheduled for dissolution may purchase annuity contracts under section 424A.02, subdivision 8a, instead of transferring special

fund assets to a municipal trust fund under section 424B.20, subdivision 4. Payment of an annuity for which a contract is purchased may not commence before the retirement age specified in the relief association bylaws and in compliance with section 424A.02, subdivision 1. Legal title to the annuity contract transfers to the municipal trust fund under section 424B.20, subdivision 4.

History: 2000 c 461 art 16 s 12

Volunteer Fire Relief Association Working Group

State Auditor's Office

Thursday, December 1, 2005

11 a.m. to 1 p.m.

Members Present

Delano City Administrator Phil Kern, Legislative Commission on Pensions and Retirement Director Larry Martin, Mahnommen Fire Relief Association Treasurer Dave Jaeger (defined benefit lump sum plans), Maple Grove Fire Relief Association President Curt Roberts (defined contribution plans), Maplewood Fire Relief Association Treasurer Ed Dietz (defined benefit lump sum plans), Minnesota Area Relief Association Coalition Representative Jim Hansen, Minnesota State Fire Department Association Representative Dave Ganfield (defined benefit monthly/lump sum combination plans), Northfield Fire Relief Association Secretary Tom Nelson, State Auditor Patricia Anderson and White Bear Lake Finance Director Don Rambow.

Member Excused

League of Minnesota Cities Representative Anne Finn and Minnesota State Fire Chief Association Representative Nyle Zikmund.

Others Present

Deputy Director of the Legislative Commission on Pensions & Retirement Edward Burek, Golden Valley Fire Department Relief Association Treasurer Mark Rosenblum, General/Legal Counsel Carla Heyl, Pension Director Judith Strobel and Pension Analysts Rose Hennessy Allen, Brian Martenson and Paul Rosen.

Rotating Chair Nelson called the meeting to order and asked everyone to introduce themselves.

Approval of Minutes

The Working Group members reviewed the minutes that had been provided before the meeting. Ganfield moved with a second from Jaeger to approve the December 13, 2004 meeting minutes. The motion was approved unanimously. Ganfield requested clarification to the Zikmund motion on page 3 of the draft November 17, 2005 minutes. He suggested that the sentence referring to the motion specifically state that the motion would permit either the filing an FA-1 form or complete MFIRS (Minnesota Fire Incident Reporting System) reporting. Nelson moved to approve the minutes with the language. The motion was seconded by Ganfield and approved unanimously.

Old Business – Ex-Officio Trustees

Ganfield said he had reviewed past minutes and materials regarding the definition of municipal official for ex-officio positions on the relief association board of trustees. He said he thought the Working Group's intent had been to allow only existing municipal officials, whether elected or appointed, to be appointed as ex-officio trustees.

Ganfield asked the Working Group to clarify whether one becomes a municipal official through appointment to a relief association board or needs to have been an appointed or elected municipal official before being appointed as an ex-officio trustee. No motion was made so the discussion moved to the next agenda item.

FA-1 Reporting Form Recommendations

At Nelson's request, Ganfield described some fire equipment requirement recommendations. Ganfield said his review of state law shows the time to assess equipment is at the end of rather than during the year.

Martin said he had requested an update to the minimum requirements to determine whether the underlying state law, Minn. Stat. § 69.011, subd. 4, requires revision to capture what constitutes a good fire department. Martin inquired whether the recommended requirements would be sufficient to establish a new fire department. Ganfield said fire departments have been improving over time.

Martin said that the legislative intent of the minimum requirements established in 1969 benefited smaller fire districts by changing the state fire aid formula to one-half based on market value and one-half based on population rather than the fire insurance premiums written on property in a fire town. He said the lawmakers wanted to use the state fire aid changes to improve fire capabilities even though state fire aid is not generally used for fire departments but pension benefits. Jaeger said most departments exceed the minimum requirements but the FA-1 requirements are a good starting point for new fire departments.

Nelson asked if the requirements should change and suggested they be shared sometime with Larry Bewley of the Department of Revenue. Roberts suggested that the Working Group study the statute and discuss the recommendations again at another meeting. Hansen said he believes the FA-1 form will eventually switch to MFIRS. He said he would like to see the requirement list reflect firefighter safety.

Nelson asked if there was a motion to table the recommendations. Roberts asked if approving a motion to table would be confusing in light of the Working Group's adoption of the Zikmund motion to allow either the FA-1 form or MFIRS reporting at the November 17, 2005 meeting. Hansen said that motion had been a compromise that should move reporting to MFIRS without forcing it upon fire departments.

Roberts sought time to contact small fire departments and Ganfield asked for more time to review state law. It was decided to revisit the recommendations as a future agenda item.

Roberts then asked if the Minnesota State Fire Department Association (MSFDA) could seek input from the small departments. He also observed that the fire marshal has a role as well as the Department of Revenue in determining whether fire departments have met the minimum requirements. Ganfield said some departments with used or refurbished equipment may not be up to standards.

Old Business -- Board Officer Salaries

Martin outlined the aggregate board officer salary data in Exhibit B that he had prepared from data collected by the State Auditor's Office. He said that about one-third of the state's relief associations pay board officer salaries and that in certain instances the city is required to pay or makes voluntary contributions. He indicated that salaries paid from a relief association's Special Fund use dollars that otherwise could have provided pension benefits. Martin said the data is helpful when deciding if vice presidents should be paid salaries from the Special Fund. Nelson asked if there was consensus to leave state law untouched. Roberts said he thinks relief associations should be able to pay vice presidents from their Special Funds if that's their choice.

Rambow said he was struck when reading the data by how many relief associations pay nothing or small amounts to relief association officers. He said he asked himself when looking at those being paid high amounts, what makes their job so demanding to need a salary when other officers are paid nothing. He said the money paid for salaries could be used for pensions.

Dietz said some relief associations that look like they aren't paying officers may be doing so from their General Funds. He said he would like to see all salaries paid from the General Fund but it would be best for relief associations to decide individually through their bylaws. Roberts agreed that salaries should be a local decision saying that some city contributions cover or exceed the amount of the salaries. Jaeger said his city directly pays the salaries of his relief association's president, secretary and treasurer.

Ganfield said some relief associations are having difficulty getting members to be officers so it is helpful to be able to pay them to get them there. Hansen suggested that a salary is warranted for relief associations that have a lot of money in the bank since a responsible person would be needed. Rambow said members of city councils and those on boards view it as a public service. He said some people are paid very little to be mayor and officers of relief associations that pay consultants for investment decisions may not merit high salaries.

Auditor Anderson said she appreciated the high value of service received from the volunteer fire department in Eagan during her time as mayor. Roberts recommended that relief associations receive the statutory authority to choose. Dietz agreed that some warrant salaries especially when the administrative burden of tracking 130 rather than 30

members falls on them. He said all board members should be able to be paid from the Special Fund or General Fund if addressed in the relief association bylaws.

Martin said Minn. Stat § 69.80 allows reimbursement of board members for expenditures from the Special Fund. Nelson asked for a motion. Rambow asked why it is necessary to tap the Special Fund when salaries can be paid from the General Fund. Martin said change would be an uphill battle at the state legislature because two-thirds of the relief associations do not offer board salaries. Roberts said cities should be allowed to make contributions to the General Fund of a relief association if salaries must be paid from that fund. Martin said state law does not allow city contributions to the General Fund.

Ganfield pointed out that state law allows designees and administrative personnel to be paid from Special Fund. Martin said the designee would have to fit into an employment setting and that is not consistent with the vice president position. Hansen said he would hate to see the Working Group push the envelope by recommending use of this statute for vice president salaries.

Nelson said he wanted to give Martin direction to draft something or do nothing. Roberts said he has heard from defined contribution plans that want to have vice presidents paid from Special Fund. He moved to allow vice presidents to be paid from Special Fund with a second by Auditor Anderson.

Ganfield moved to amend the motion to allow any trustee to be paid from Special Fund if in the bylaws with a second by Dietz. The vote on the amended motion did not reach consensus. Auditor Anderson voted against the amended motion stating she opposes mayors being paid a salary to attend relief association board meetings. The members then voted on the original motion to permit payment of vice presidents from the Special Fund. The motion was not unanimous with Rambow voting in opposition.

Return to Service – Defined Benefit Plans

Nelson invited Rosenblum to explain the return to service issue faced by the Golden Valley Fire Relief Association. Rosenblum said the question is how long a member must have returned from deferred service before being eligible for the current benefit level.

Dietz said firefighters should serve for at least as long as their break in service. He said if a member is gone for three years the member should serve three years to be eligible for any benefit increases. Dietz added that a fire department's hiring decisions can put a burden on a relief association but his relief association tries to support the hiring decision by permitting relief association membership. Rosenblum agreed but said if a person is gone for a long time, it may not be possible to make up the time.

Martin asked why a city would want to hire someone whose motivation may not be to fight fires but to get an increased pension. Nothing in law requires a firefighter to be a member of a relief association, he said, noting that there are statutory exclusions to relief association membership. He said he isn't sure that state statute is causing a problem or that it needs to be modified unless to give help.

Ganfield said there are two issues of concern: how to pay and how to bring back. He said the Apple Valley Fire Relief Association changed its bylaws to say members must complete a minimum of five years in the department and relief association before becoming eligible for the current benefit level. Members who do not meet this requirement do not receive prior service credit, he said.

Dietz said his relief association retains the prior service credit on the deferred rolls and starts the member's time upon return at the present benefit amount. The time gone is shown as a leave of absence.

Rosenblum said the Schedule forms would not calculate prior service credit at a lower benefit amount. Roberts suggested that the city pay for any increase in liability. Martin said cities will potentially pay for the increase and the Schedule form should not drive what the benefit plan looks like. He said estimating the pension fund liability is different than the amount to be paid so the Schedule form may show a greater liability.

The discussion of return to service issues was briefly postponed until after lunch.

Ganfield said relief associations should not treat previous years as deferred or give interest on that service, but treat it as a break in service if an individual returns as a firefighter. Rosenblum said he sees the need to handle return to service issues individually.

Roberts said he receives similar questions from defined contribution plans because there is not a lot of statutory language in their regard. He said his relief association distributes a partially vested member's forfeitable percentage upon separation. While not opposed to a time requirement for distribution, he said his relief association does not wish to wait until the member's date of retirement.

Martin said there seems to be more cases of members returning to firefighting service than in the past or the benefit level for those that did return must not have changed. Roberts said if the time requirement is not clear in state statute, his relief association would continue to follow its bylaws to distribute the forfeitable amount during the year of the member's separation. Martin cautioned against volunteer fire relief associations forfeiting dollars earlier than five years for unvested members.

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Nelson suggested that the issue be brought up again for additional discussion and the meeting was adjourned.

New Business

In response to a question from Roberts, Martin said that relief associations are authorized to choose 15-year vesting in their bylaws because Minn. Stat. § 424A.02, subd. 2, sets a 10-year minimum for full vesting for defined contribution plans.

The meeting adjourned shortly after 1 p.m.