

RESOLUTION

BE IT RESOLVED by the City Council of the City of Moorhead, upon recommendation of the Finance and Administration Committee and the Public Safety Committee that an alternative benefit increase of three (3%) percent per year be permitted those persons who have retired since the enactment of Laws of 1980, Chapter 607, Article XV, Section 7 (Minnesota Statutes §423A.04) or who will be retiring in the future after twenty (20) years of service and who are covered by the retirement benefits of the Moorhead Firefighters Relief Association, said increases being in lieu of an increase of one-half of one percent after twenty-five (25) years of service and being considered a health and welfare benefit to defray part of the cost of health insurance and doctor care.

PASSED by the City Council of the City of Moorhead this 15th day of December, 1980.

Morris J. Lanning
MORRIS LANNING, Mayor

ATTEST:

Susan Ristvedt
SUSAN RISTVEDT, Deputy City Clerk

STATE OF MINNESOTA
DEPARTMENT OF STATE
FILED
JAN - 6 1981
James Anderson Browe
Secretary of State

#33169

GABRIEL, ROEDER, SMITH & COMPANY
ACTUARIES & CONSULTANTS

2090 First National Building
Detroit, Michigan 48226
Area 313: 961-3346

November 18, 1980

Mr. Dalan Rasmussen
Moorhead Fire Department Relief Association
1120 1st Avenue North
Moorhead, Minnesota 56560

Dear Mr. Rasmussen:

We have evaluated the alternative benefit increases as requested in connection with the recent state legislation to phase out local police and firemen's relief associations in Minnesota.

Our computations are based upon the provisions of the retirement system, the actuarial assumptions and the actuarial methods contained in the actuarial valuation as of December 31, 1978.

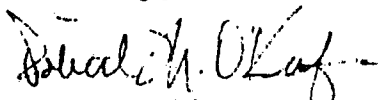
The financial results are shown in the exhibit attached. The minimum obligation of the City before reductions for member contributions and state aid are shown.

The retirement program may be revised as follows without exceeding the maximum increase in the contribution as a percent of payroll of 1.26%.

1. Automatic Benefit - This additional benefit will provide an additional benefit after 25 years of .005 times final average pay times years of service over 25.
2. Additional 3% - This additional benefit provides an additional benefit of 3% of final average earnings after 20 years of service.

If you have any questions, please feel free to call.

Sincerely,


Robert M. O'Keefe

RMO:mav
Encl.

CC: Gary Findlay

Moorhead Fire Department

Relief Association

Valuation Results as of December 31, 1978

	<u>Current Plan</u>	<u>Automatic Benefit</u>	<u>Additional 3%</u>
I. Minimum Obligation as a % of Payroll Before Member Contributions and State Aid.			
A. Normal Cost	19.34%	19.97%	19.90%
B. Amortization Payment Required to Fund 12/31/78 Unfunded Accrued Liability by 2010.*	<u>10.53</u>	<u>11.21</u>	<u>11.13</u>
C. Totals	29.87	31.18	31.03
D. Increase in Minimum Obligation Before Member Contributions and State Aid.	N/A	1.31	1.16
II. Amortization Payment Required to Fund 12/31/78 Unfunded Accrued Liability by 2010.*	\$55,974	\$59,550	\$59,147
III. Unfunded Accrued Liability as of 12/31/78.	\$881,759	\$938,093	\$931,741

*Assumes payment throughout year.

Moorhead Fire Department

1120 - 1st AVENUE NORTH
MOORHEAD, MINNESOTA 56560
PHONE 236-6542

GARFIELD F. ANDERSON
Fire Chief
R. DONALD DAWSON
Deputy Fire Chief
CAPT. MARLAN ANDERSON
Fire Marshal



December 31, 1980

Secretary of State's Office
Attn: Peggy Steineck
Room 180, State Office Bldg.
St. Paul, MN 55155

Dear Ms. Steineck:

Please find the enclosed paperwork on the alternative benefit which the Moorhead Fire Relief Association and the City of Moorhead agreed upon in place of the automatic benefit.

Please advise me if there are any further requirements. Enclosed is a copy of the actuarial report.

Sincerely,

A handwritten signature in cursive script that reads "Dalan Rasmussen".

Dalan Rasmussen, Treasurer
Moorhead Fire Relief Association

DR/lw

Enclosure