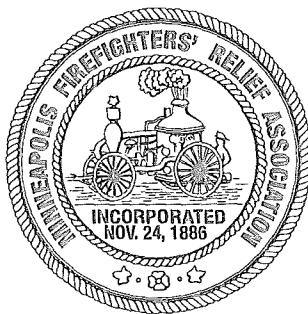


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Minneapolis
Firefighters'
Relief Association
Pension Fund



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April 21, 2011

Lawrence Martin
Legislative Commission on
Pensions and Retirement
Room 55, State Office Building
St. Paul, MN 55155

Dear Mr. Martin,

According to 1989 Minnesota Laws, 423C.06 Subd.2(b) (INVESTMENT RELATED POST RETIREMENT ADJUSTMENTS) the Board of Trustees of the Minneapolis Firefighters' Relief Association shall determine by May 1st, each year, whether or not the Relief Association has excess investment income.

I would like to notify you that the MFRA Board of Trustees has determined, according to Minnesota Laws, 423C.06, that for the year ending December 31, 2010 we do have excess investment income and are required to pay a Post Retirement Benefit to our retired members.

At year-end 2010, our Fund's excess investment income was \$2,171,910 and our funded ratio was 77.4%. Since the funding ratio is below 102% we are required to distribute ½ of that amount (\$1,085,955) to our members in the form of a Post Retirement Benefit. We will be providing that benefit upon receipt of the Appellate Court's final decision regarding the lawsuit brought forward by the City of Minneapolis against the MFRA as directed by Judge Poston's order dated May 27, 2010.

Excess investment income means the amount by which the time weighted total rate of return earned by our Fund, in the most recent prior five fiscal years, has exceeded the actual average percentage increase in the annualized unit value in the most recent five fiscal years by two percent or greater.

Payment to each eligible member must be calculated by dividing the total post retirement benefit by the total number of pension units, to which eligible members are entitled and then multiplying that result by the number of units to which each eligible member is

Mr. Lawrence Martin
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entitled. As of today, April 21, 2011 the census information for this calculation is as follows:

<u>Eligible Post Retirement Benefit Recipients.</u>	<u>549</u>
<u>Post Retirement Benefit Units Payable</u>	<u>19,297</u>

If you are in need of further information, please contact me.

Sincerely,



Walter C. Schirmer
Executive Secretary

/WCS

cc: Rebecca Otto, Office of the State Auditor
Tom Hanson, Commissioner of Management & Budget
R. T. Rybak, Mayor of Minneapolis
Minneapolis City Council Members
Legislative Reference Library (6 copies)
Cite: 2001 Minn. Laws 1st Spl. Sess. Chap. 10 Art. 15 Sec. 6 Subd.5
City Clerk
Brian Rice, Rice, Michels & Walther
Mark Meyer, Van Iwaarden
Pete Cullen, Van Iwaarden