
Report of the Work Group on Firefighter Relief Association Conversions and Dissolutions

February 21, 2019

Table of Contents

Introduction	1
Establishment of the Work Group.....	1
<i>Purpose</i>	<i>1</i>
<i>Members.....</i>	<i>2</i>
<i>Required deliverable</i>	<i>3</i>
Meetings of the Work Group	3
<i>Agendas</i>	<i>3</i>
<i>Data on overfunding.....</i>	<i>4</i>
<i>Accomplishments</i>	<i>5</i>
Fire Chief Survey	5
<i>Survey responses.....</i>	<i>5</i>
Converting from Defined Benefit to Defined Contribution	7
<i>Objective.....</i>	<i>7</i>
<i>Applicable federal law</i>	<i>8</i>
<i>Applicable state law.....</i>	<i>8</i>
<i>Step I: Board of trustees resolutions</i>	<i>9</i>
<i>Step II: Determination of the value of pension benefits.....</i>	<i>13</i>
<i>Step III: Notice to firefighters</i>	<i>13</i>
<i>Step IV: Notice to municipality and State Auditor</i>	<i>14</i>
<i>Step V: Implement the conversion</i>	<i>14</i>
<i>Example: Simplified conversion and impact on a firefighter</i>	<i>15</i>
Disposition of Surplus Upon Plan Termination	16
<i>Objective.....</i>	<i>16</i>
<i>Applicable federal law</i>	<i>16</i>
<i>Applicable state law — 424B.20, Subdivision 1</i>	<i>16</i>
<i>Maplewood Firefighters Relief Association and the City of Maplewood</i>	<i>17</i>
<i>Broaden application of the statutes</i>	<i>18</i>
<i>Amend to require automatic dissolution and plan termination</i>	<i>18</i>

<i>Applicable state law — 424B.20, Subdivisions 2-5.....</i>	<i>19</i>
<i>Amend procedures</i>	<i>20</i>
<i>Immediate full vesting.....</i>	<i>20</i>
<i>Benefit level increases</i>	<i>20</i>
<i>Recalculation of benefits</i>	<i>21</i>
<i>Amend to allow immediate distributions.....</i>	<i>21</i>
<i>Supplemental benefits.....</i>	<i>22</i>
<i>Pre-termination notice</i>	<i>22</i>
<i>Applicable state law — 424B.20, Subdivision 4, Paragraph (b)</i>	<i>23</i>
<i>Disposition of surplus assets</i>	<i>23</i>
<i>Missing firefighters.....</i>	<i>24</i>
<i>Repeal 2018 legislation on surplus.....</i>	<i>24</i>
Conclusion	24
<i>LCPR staff contact.....</i>	<i>26</i>
 Exhibit A Financial and Investment Data for Lump Sum and Monthly Plans For the Year Ended December 31, 2017	
 Exhibit B Fire Chief Survey Respondent Map	
 Exhibit C Fire Chief Survey PowerPoint	

Introduction

This is the report of a work group established by the Omnibus Pension and Retirement Act of 2018 (the “Act”) to study two areas of concern identified by the Legislative Commission on Pensions and Retirement (the “Commission” or “LCPR”). These concerns, expressed to the LCPR by firefighters, fire chiefs, municipal administrators, and other stakeholders, are a result of the growing number of defined benefit plans for volunteer firefighters with assets substantially in excess of benefit liabilities (sometimes referred to as “surplus” or “overfunding”).

Specifically, the two areas of concern are:

- The need for new state laws to permit and provide a process for converting from a defined benefit plan to a defined contribution plan, and allow for the allocation of surplus to firefighter accounts in the new defined contribution plan; and
- Reconsideration of the statutes on payment of surplus upon termination of a defined benefit plan and recommendations regarding amendments to the statutes.

Establishment of the Work Group

Purpose

The Act, at Laws 2018, Chapter 211, Article 14, Section 32, directs the executive director of the LCPR to convene a work group during the interim between the 2018 and 2019 sessions to study the following:

- the statutes governing conversions from a defined benefit plan to a defined contribution plan and aspects of such conversions that are not addressed or that are addressed by statutes that are ambiguous or unclear;
- the statutes governing dissolution of relief associations and the disposition of surplus assets;

- the prevalence of overfunded defined benefit relief associations in the state and the status of transitions underway at fire departments in the state from using the services of volunteer firefighters to employing salaried firefighters;
- alternatives for determining accrued benefits, vesting, and surplus assets upon conversion and for allocating surplus assets among firefighters, the affiliated municipality, or the state in the form of a reversion of fire state aid;
- alternatives for legislation that amends or supplements the statutes identified above; and
- any related issues identified by the work group.

Members

The Act imposed requirements regarding the minimum number of representatives from each specified stakeholder group to be included as work group members, while limiting the total number of members to twelve. The members of the work group and the stakeholder groups they represent are the following:

- Municipal officials from municipalities with an affiliated defined benefit relief association:
 - Merrill King, Finance Director, Minnetonka
 - Dean Lotter, Manager, New Brighton
 - William Reynolds, City Administrator, Shakopee
- Representative from the League of Minnesota Cities:
 - Anne Finn, Assistant Intergovernmental Relations Director
- Fire chiefs from combination fire departments (volunteers and salaried firefighters):
 - George Esbensen, Fire Chief and Director of Emergency Preparedness, Eden Prairie Fire Department
 - Greg Peterson, Fire Chief, White Bear Lake Fire Department
 - Martin Scheerer, Fire Chief, Waconia Fire Department
 - Tim Wiebe, Fire Chief, Chaska Fire Department
- Active volunteer firefighters covered by a defined benefit relief association:
 - Bruce Hemstad, Bemidji Fire Relief Association
 - Mark Rosenblum, Golden Valley Fire Department and President, MSFDA

- Fire chief or volunteer of an independent nonprofit firefighting corporation affiliated with a defined benefit relief association:
 - Bruce Carlson, Treasurer, Lake Johanna Fire Relief Association
- Representative of the Office of the State Auditor (“State Auditor”):
 - Rose Hennessy Allen, Pension Division Director
- Other individuals invited by the Legislative Commission on Pensions and Retirement because of expertise or unique perspective:
 - Mike Walstien, Plymouth Fire Relief Association
 - Aaron Englesrud, President, Woodbury Fire Relief Association
 - Michael Kruse, Treasurer, Falcon Heights Fire Dept. Relief Association (DC Plan)

The members elected Merrill King to serve as the Chair.

LCPR staff members, Susan Lenczewski, executive director, and Lisa Diesslin, commission assistant, provided meeting support and legal research and analysis, conducted the survey of fire chiefs, and drafted this report.

Required deliverable

The work group submitted this report on February 21, 2019. As required by the Act, the report summarizes the findings of the work group and its recommendations for legislation. The report is to be delivered to the chair and vice chair of the LCPR.

Meetings of the Work Group

Agendas

The work group met six times, from July 23, 2018, to December 5, 2018. Meeting agendas and discussion included the following topics:

- Objectives of the work group as compared to the other firefighter groups meeting during the interim. These groups are the Fire State Aid Work Group, convened by PERA, the Volunteer Fire Relief Association Working

Group, convened by the State Auditor, and the Statewide Voluntary Firefighters Retirement Advisory Board, convened by PERA.

- Other sections in the Act that are relevant to the work group. These sections dealt with the dissolution of the Maplewood Volunteer Firefighter Relief Association, which had a significant surplus, and certain relief associations that pay a retirement benefit based on a benefit level that is at least \$9,500 per year of service.
- Data on the funded status of all volunteer firefighter relief associations, as provided by the State Auditor.
- State of current statutes addressing conversions and dissolutions. The statutes do not currently address conversions from one type of plan to another. The statutes provide for a process for dissolving a relief association and terminating the related pension plan, but are incomplete, and require any surplus to be paid to the affiliated municipality.
- The need to determine the level of interest in converting among relief associations. The work group determined that a survey of fire chiefs would be conducted to obtain more demographic information and the level of interest in conversion.
- Federal law requirements applicable to conversions and plan termination. Many relief associations are attempting to maintain status as a “qualified plan” under the Internal Revenue Code to ensure that firefighters (i) will not be taxed on benefits as they are earned or as contributions are allocated to retirement accounts and (ii) will be able to further defer paying taxes on a distribution of the benefit by rolling it into an individual retirement account (“IRA”) or another retirement plan.

Data on overfunding

The work group fulfilled one of its duties by reviewing data on the overfunded status of volunteer firefighter relief associations statewide. This is data collected each year by the State Auditor. At its meeting on November 14, the work group reviewed the 2016 data. Since that meeting, the State Auditor has compiled data based on 2017 filings by relief associations. The 2017 data, listed in order of funded status, highest percentage to lowest, is attached as Exhibit A.

Accomplishments The work group accomplished the following, each of which is described in detail in the next three sections of the report:

- Conducted a survey of fire chiefs statewide and analyzed the results;
- Formulated a procedure for converting a defined benefit plan to a defined contribution plan; and
- Reached a consensus on disposition of the surplus in the event of the termination of a relief association defined benefit plan.

Fire Chief Survey

One of the tasks assigned to the work group by the Act is to study the status of transitions underway at fire departments in the state from using the services of volunteer firefighters to employing salaried firefighters. The work group decided that the most effective way to do this study would be to conduct a survey of all fire chiefs in every fire department in the state.

The work group formed a subcommittee of three members, Dean Lotter, Bruce Hemstad, and George Esbensen, to draft the questions. Lisa Diesslin, the LCPR commission assistant, prepared the survey using SurveyMonkey®. Margaret Koele, Licensing Coordinator, Minnesota Board of Firefighter Training and Education, emailed a link to the survey to every fire chief in Minnesota. Emails were also sent to all city and township clerks to alert them that all fire chiefs were being asked to complete the survey.

The email invitation to the fire chiefs was sent to 775 fire chiefs. During the survey period, September 20 to October 1, 293 fire chiefs or their representatives, or 38% of the total, responded. A map showing the location of each of the respondents is attached as Exhibit B.

Survey responses Survey questions and responses are compiled in the PowerPoint attached as Exhibit C. The highlights:

- 56% of the respondents reported that their service area was 50 square miles or more.
- 31%, the largest percentage, of the respondents reported that their service area included 1,000 to 4,999 residents.
- 3.5% of the respondents reported that their fire department does not have “non-career” firefighters, meaning that all the firefighters in these departments are “career,” sometimes referred to as “salaried” firefighters. These respondents were kicked to the end of the survey and did not answer the rest of the questions. **The remaining 96.5% of the respondents, or 276 fire chiefs, continued with the rest of the survey.**
- 23% of the 276 remaining respondents reported that their fire departments have both career and non-career firefighters (these are sometimes referred to as “combination” fire departments).
- 19% of the 276 remaining respondents reported that their firefighters received no compensation, which means they did not receive compensation on either a “per-call” basis, on an hourly basis, or on any other basis.
- Of the other 81%, or 224 respondents, who reported that their firefighters were compensated, 59% reported that their firefighters are paid on an hourly basis, at an average of \$12.07 per hour, and 54% reported that their firefighters are paid on a per-call basis, at an average of \$12.21 per call. (This totals over 100% and we have no explanation for this – perhaps some departments pay both.)
- 74% of the 276 remaining respondents, or 204 respondents, whose departments have non-career firefighters reported that the firefighters receive retirement benefits through a relief association, while 26%, or 72 respondents, reported that the firefighters receive retirement benefits from the PERA Statewide Firefighter Plan.
- The survey asked: “Over the last year or two, has the city council or township board considered any of the following options?” A variety of responses were provided and could be checked by the respondents.

The number of respondents who checked each response are as follows:

- Adding more firefighters: 33
- Reducing reliance on non-career firefighters: 18
- Increasing the per hour or per call rate for non-career firefighters: 87
- Changes similar to the above: 28 (See Exhibit C, page 23, for respondents' specific descriptions.)
- Of the 276 respondents whose departments have non-career firefighters, 89%, or 246 respondents, reported that the retirement plan for firefighters is a defined benefit plan, while 11%, or 30 respondents, reported that the plan was a defined contribution plan. (Note: According to the 2017 data on volunteer firefighter relief associations collected by the State Auditor, 85 out of 579 reporting relief associations, or 15%, are defined contribution plans.)
- Of the 246 respondents with defined benefit plans, 2%, or 5 respondents, reported that the relief association board had considered converting from a defined benefit plan to a defined contribution plan; 10%, or 25 respondents, reported "I don't know."

Converting from Defined Benefit to Defined Contribution

Objective

The work group framed the objective for this task as follows:

Propose legislation alternatives regarding conversion from a defined benefit plan to a defined contribution plan.

The focus of the work group was on conversions from a defined benefit plan that pays a lump sum benefit at retirement to a defined contribution plan. The work group agreed that proposed legislation should also address conversions (1) from a defined benefit plan that pays monthly annuities at retirement or offers both monthly

annuities and lump sums to a defined contribution plan; and (2) from a defined contribution to a defined benefit plan. Time constraints, however, limited discussion on the details of these conversions. LCPR staff notes that proposed legislation could include procedures for these conversions, but may be short on details, and represent more of a placeholder for future fine-tuning.

Applicable federal law

LCPR staff had previously provided information regarding applicable federal law. Many relief associations are attempting to maintain status as a “qualified plan” under the Internal Revenue Code to ensure that firefighters (i) will not be taxed on benefits as they are earned or as contributions are allocated to retirement accounts and (ii) will be able to further defer paying taxes on a distribution of the benefit by rolling it into an individual retirement account (“IRA”) or another retirement plan. Under Minnesota Statutes, Section 424A.015, Subdivision 4, a firefighter is provided the opportunity to direct a rollover of his or her lump sum pension payment to an individual retirement account (IRA) if the relief association retirement plan is a “qualified pension plan under section 401(a) of the Internal Revenue Code, as amended.” The work group agreed that any conversion process to be included in legislation should comply with applicable federal laws and regulations relating to qualified retirement plans.

On the issue of conversion from defined benefit to defined contribution, applicable federal law treats the conversion as a two-step process: (1) the termination of the defined benefit plan, which requires full vesting of all members, active and inactive, as of the date of termination, and (2) the establishment of a new defined contribution plan, to which active firefighters’ benefits are transferred for depositing in an account in each firefighter’s name. Assets in excess of fully vested accrued benefits can be transferred to the employer or to the firefighters or a combination thereof.

Applicable state law

The work group considered whether state statutes currently provided any guidance on conversions. As reported by LCPR staff:

- There is nothing currently in statutes regarding how to do a conversion from one plan type to another.
- The only mention of type of plan (defined contribution or defined benefit) is the requirement in current law, at Minnesota Statutes, Section 424A.002, which requires relief association articles or bylaws to identify the type of plan (defined benefit or defined contribution) being offered by the relief association.

Step I: Board of trustees resolutions — approving the conversion and optional benefit level increase

The work group formulated the following conversion process:

The relief association board of trustees must adopt resolutions that include the following:

1. Approval of the conversion from a defined benefit plan to a defined contribution plan;
2. Approval of the conversion effective date (“Conversion Date”);
3. Adoption of a new defined contribution plan document, which specifies eligibility, annual allocations to accounts, vesting, distributions, ancillary benefits, and otherwise complies with Section 424A.016;
4. Approval of full (100%) vesting of all firefighters (active and inactive) in their accrued benefits under the current defined benefit plan as of the Conversion Date, to the extent of the plan’s assets (as required by federal law);

The board may approve an increase in the benefit level to reduce the surplus. (The “benefit level” is the dollar amount identified in the relief association bylaws, which is multiplied by years of service to arrive at each firefighter’s lump sum pension amount.) The new benefit level need not be limited to the current statutory limit of \$10,000. (See the “Note,” below, regarding amending the statutory limit on the benefit level.) If an increase is approved:

- The board needs to include a decision regarding whether the increased benefit level will be applied to only active firefighters or to both active and inactive firefighters.

- The board needs to include a statement that the increased benefit level cannot cause the funded status of the plan to fall below 100%.
- The board's approval of an increase in the benefit level must be considered conditional on there being sufficient assets to fund the increase. If, as of the date benefits are transferred to the defined contribution plan or paid to inactive firefighters directly or in a direct rollover, there are not sufficient assets to cover all benefit liabilities at the new higher benefit level, the board must state that the benefit level will be reduced until assets equal or are greater than liabilities. The board must state that the new lower benefit level will be considered approved by the board of trustees without further action by the board.

Notes:

- (1) To remove any statutory impediment to board approval of an increase in the benefit level, Minnesota Statutes, Section 424A.02, Subdivision 3, Paragraph (d), will be amended to provide that the maximum lump sum amount does not apply to any increase in connection with a conversion where the relief association has a surplus over full funding.
- (2) To remove any statutory impediment to applying the benefit level increase to inactive firefighters in addition to active firefighters, Minnesota Statutes, Section 424A.015, Subdivision 6, will be amended to permit the retirement benefit payable to inactive firefighters to be calculated using the new higher benefit level and not be subject to the current statutory requirement that the benefit be calculated using the benefit level in effect on the date on which the firefighter separated from active service.

***Step I continued:
Board of trustees
resolutions —
disposition of
surplus assets***

If it is possible that the plan will have assets in excess of liabilities as of the Conversion Date (a "surplus"), even after taking into account any increase in the benefit level, the board of trustees must approve a procedure for allocating this surplus. Alternatives from which the board may choose are the following:

- Per capita method: Each firefighter's account receives the same dollar amount.

OR

- Service-based method: Each firefighter's account receives a share of the surplus based on this ratio:

$$\frac{\text{Firefighter's years of service}}{\text{Total years of service for all active firefighters}}$$

OR

- Firefighter/municipality-sharing 2-step method:

First step: Municipality receives a share of the surplus based on this ratio:

$$\frac{\text{Municipal contributions since [year]}}{\text{Total of fire state aid + municipal contributions since [same year]}}$$

Second step: Remaining surplus is allocated to accounts of firefighters using the per capita, service-based, or another method.

OR

- Firefighter/municipality-sharing 2-step method:

First step: Municipality receives a share of the surplus based on the ratio above and the board sets conditions on its use. Examples of conditions that may be imposed on the use of the surplus by the municipality:

- It must be contributed back to the relief association defined contribution plan over the next five (or other number) years, for allocation to the accounts of future firefighters, or
- It must be used by the municipality to buy firefighting equipment or other specified firefighting related purposes.
- It must be used by the municipality to provide health insurance or other welfare benefits for its firefighters.

Second step: Remaining surplus is allocated to accounts of firefighters using the per capita, service-based, or another method.

Note: The board of trustees will need to determine whether only active firefighters will share in the surplus or whether both active and inactive firefighters will share.

***Step I continued:
Board of trustees
action — if plan
has fewer assets
than liabilities***

The work group considered the possibility that a relief association wishing to convert its defined benefit plan to a defined contribution plan may not be more than 100% funded, such that the value of its assets are not sufficient to cover the cost of all pension benefits (sometimes referred to as an “underfunded” plan or a “shortfall”). The work group determined that the legislation should prohibit conversion by an underfunded plan, unless the board of trustees offers either of the following alternatives:

- A resolution amending the relief association bylaws to decrease the benefit level to the extent necessary to reduce benefit liabilities to the point that the assets were sufficient to fund the pension benefits of all firefighters, taking into account the need to fully vest the pension benefits of all active and inactive firefighters; or
- An agreement with the municipality that it would fund the shortfall by making a contribution in an amount sufficient to cover all benefit liabilities at the current benefit level, taking into account the need to fully vest the pension benefits of all active and inactive firefighters.

Note: If the board of trustees elects the first alternative and approves a bylaws amendment, current law requires the bylaws amendment be approved by the municipality. Minnesota Statutes Sections 424A.02, Subdivision 10; 424A.092, Subdivision 6; and 424A.093, Subdivision 6, require that a bylaws amendment be approved by the affiliated municipality if the plan does not have a “surplus over full funding” and the amendment “increases or otherwise affects the retirement coverage provided by or the service pensions or retirement benefits payable from the special fund...”

Accordingly, work group members agreed that proposed legislation include a requirement that the relief association must obtain the consent of the municipality to the conversion and all related bylaws amendments if the relief association plan does not have a surplus, that is, assets do not exceed benefit liabilities. Proposed legislation would include a provision stating that, if the relief association plan has a surplus, that is, assets exceed benefit liabilities, any requirement of municipal consent to bylaws amendments is

waived and the conversion could proceed and bylaws amendments take effect without the consent of the municipality.

***Step II:
Determination of
the value of
pension benefits***

Step II in the conversion process is to determine the value of pension benefits (plan “liabilities”). Proposed legislation would provide that the board of trustees will determine the estimated value of each firefighter’s fully vested accrued benefit as of the Conversion Date.

The board must determine estimated value in one of two ways:

- By using the method at Minnesota Statutes, Section 424A.092, Subdivision 2, which is used to determine a plan’s funded status by calculating the value of each firefighter’s accrued benefit using a table set forth in the statute; or
- As determined by an actuary retained by the relief association, who meets the definition of “approved actuary” at Minnesota Statutes, Section 356.215, Subdivision 1, Paragraph (c).

***Step III: Notice
to firefighters***

Step III of the conversion process is notice to firefighters. Proposed legislation will require the board of trustees to provide notice to all affected firefighters, that is, both active and inactive, at least 90 days in advance of the Conversion Date.

Legislation will require that the notice include the following:

- An explanation that the plan is to be converted from a defined benefit plan to a defined contribution plan and what those terms mean; the reasons for the conversion; the conversion effective date (called the “Conversion Date”); and the procedure to be followed, including fully vesting all firefighters;
- A summary of the terms of the newly adopted defined contribution plan;
- Information about any increase in the benefit level and whether the increase applies to only active firefighters or both active and inactive firefighters;

- A section tailored to each firefighter, which provides an estimate of the value of the firefighter's accrued benefit (fully vested) and the method used to calculate that value;
- An estimate of any anticipated surplus (assets in excess of liabilities), and an explanation of how the surplus will be paid, that is, whether it will be allocated among only firefighter accounts or whether the municipality will receive any of the surplus and any conditions on its use; and
- Contact information (phone and email) for one or more members of the board of trustees who will answer questions and provide a copy of the new defined contribution plan document or a summary, if requested (or directions to a website for viewing and printing the plan document or summary).

Step IV: Notice to municipality and State Auditor

Proposed legislation will also require that the relief association provide notice to both the municipality affiliated with the relief association and the State Auditor. This notice must include all the same information as provided to the firefighters, except that the individualized information will be provided as a spreadsheet listing the name of each firefighter and the corresponding accrued benefit amount.

Step V: Implement the conversion

The board of trustees must implement the conversion, as described in the board resolutions and in compliance with the new statutory requirements. Implementation will require:

- Preparation of a new defined contribution plan. The work group suggested that the State Auditor make available sample bylaws for this purpose. LCPR staff may be able to provide assistance with the preparation of plan documents and legal compliance.
- A recordkeeping account must be established for each firefighter under the defined contribution plan to which is recorded the value of the firefighter's fully vested accrued benefit as determined as of the Conversion Date, and any allocation of surplus.

**Example:
Simplified
conversion and
impact on a
firefighter**

A relief association defined benefit plan has 20 active firefighters and is 170% funded, with assets of \$1,700,000 and benefit liabilities of \$1,000,000. The bylaws provide for a pension benefit equal to \$5,000 per year of service.

A firefighter will have 11 years of service at the end of 2020 and will have accrued a pension benefit of \$55,000 (\$5,000 x 11 years of service). However, with 11 years of service, the firefighter is only 64% vested, which means the firefighter would be entitled to a lump sum pension benefit of \$35,200, if the firefighter were eligible to retire at the end of 2020.

During 2019, the board approves a conversion to a defined contribution plan and an increase in the benefit level to \$7,000, which will reduce the surplus from approximately \$700,000 to approximately \$300,000. The board designated December 31, 2020, as the conversion date. The board determined that the surplus is to be allocated on a per capita basis so each of the 20 firefighters receives the same amount.

As of December 31, 2020, the conversion date, the firefighter's benefit has been recalculated, applying the new \$7,000 benefit level and 100% vesting. Instead of a 64% vested benefit at \$5,000 per year of service (\$35,200), the firefighter's benefit as of the conversion date is \$77,000 (\$7,000 x 11 years of service at 100% vested). The firefighter's share of the surplus is \$15,000 (\$300,000 / 20).

On December 31, 2019, \$92,000 (\$77,000 accrued benefit + \$15,000 share of the surplus) is credited to a new account in the firefighter's name in the new defined contribution plan. The firefighter is 100% vested in this amount. Future contributions will be subject to whatever vesting schedule has been approved by the board of trustees for the new defined contribution plan.

Disposition of Surplus Upon Plan Termination

Objective

The work group framed the objective for this task as follows:

Propose legislation alternatives regarding disposition of surplus assets upon plan termination or relief association dissolution.

Applicable federal law

Applicable federal law requires full vesting of all members, active and inactive, as of the date of termination of a qualified plan. Assets in excess of fully vested accrued benefits can be transferred to the employer or to the firefighters or can be allocated among the employer and firefighters.

Applicable state law — 424B.20, Subdivision 1

Minnesota Statutes, Sections 424B.20 and 424B.21, address plan termination and dissolution of a relief association, but important issues are not addressed.

Section 424B.20 is titled “Dissolution without Consolidation” and, under Subdivision 1, applies to two situations:

- When the fire department dissolves or is eliminated by the municipality or firefighting corporation.
- When the relief association is dissolved or eliminated with municipal approval, but the fire department is not dissolved or eliminated.

The first situation might arise if a municipality decides to contract with another municipality to provide firefighting services and eliminates its fire department. Without active firefighters, the relief association may decide to terminate the pension plan and dissolve the relief association. The second situation might arise if a municipality terminates the services of all non-career firefighters and decides to hire only career firefighters to staff the fire department. Career firefighters are covered by the PERA Police and Fire Plan, so the relief association may decide there is no reason to continue in existence.

Situations that are not covered by the statute:

- A municipality eliminates its fire department but the relief association does not want to dissolve or terminate its pension plan;
- A relief association wishes to terminate its pension plan, even though the fire department is ongoing and the relief association will continue;
- A relief association wants to dissolve and terminate its pension plan, but the municipality will not give its approval;
- The municipality terminates the services of all non-career firefighters and decides to staff the fire department with only career firefighters. The relief association does not want to dissolve or terminate its pension plan.

***Maplewood
Firefighters
Relief
Association and
the City of
Maplewood***

The situation described in the last bullet, above, actually occurred in early 2018 when the City of Maplewood terminated the services of its non-career firefighters, but continued its fire department with career firefighters. The affiliated Maplewood Firefighter Relief Association did not wish to dissolve and attempted to convert its defined benefit plan to a defined contribution plan in order to allocate the substantial surplus to firefighter accounts. The City filed a lawsuit to stop the conversion and allocation of the surplus. The parties were able to reach a settlement, premised on legislation being enacted that would allow for the settlement to be implemented. The legislation was included in the Act, at Chapter 211, Article 14, Section 30, and provided for, among other details, the following:

- 100% vesting of all firefighters who had been terminated in early 2018;
- Increase in the benefit level to \$11,000, notwithstanding the statutory cap of \$10,000;
- Dissolution of the relief association and its pension plan;
- Transfer of the surplus to the City;
- Effective only if approved by the board of trustees of the relief association, a majority of its members, and the City council.

Broaden application of the statutes

The work group agreed that the statutes governing dissolution of relief associations need not be limited to certain situations, as is the case under current law, and should apply broadly to all dissolutions, whatever the circumstances. Accordingly, Minnesota Statutes, Section 424B.20, Subdivision 1, should be amended as follows (text in bold to more easily distinguish the text to be retained from the text to be stricken):

~~“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.”

Amend to require automatic dissolution and plan termination

To avoid another situation similar to Maplewood, the members of the work group agreed that Section 424B.20, Subdivision 1, should be amended to add the requirement that a relief association will be automatically dissolved and the pension plan automatically terminated if a municipality terminates the services or ends the employment of all of its non-career firefighters. Under current state law, the relief association and the pension plan are ongoing and would continue to receive fire state aid, even though there are no longer any active firefighters receiving credit for more years of service.

LCPR staff advised the work group that, under applicable federal law, terminating the services of all active firefighters would result in a “partial termination” of the plan. A partial termination is not actually a termination of the plan, but instead is action by the employer that ends the continued accrual of benefits by a substantial percentage of

the workforce. The most significant impact of a partial termination is that all affected firefighters must become fully vested in their benefit or plan account.

Note: LCPR staff further advised that the full vesting requirement in the case of a partial termination and other requirements with which relief association pension plans must comply in order to maintain their tax-qualified status do not apply to relief associations that are truly volunteer. The pension plans of relief associations whose non-career firefighters do not receive any compensation (either per hour or per call) would technically not be able to be considered tax-qualified. In the interest of uniformity, however, all proposed legislation should, for now, apply with equal force to the truly volunteer relief associations as to the relief associations whose members receive compensation.

Applicable state law — 424B.20, Subdivisions 2-5

Minnesota Statutes, Section 424B.20, Subdivisions 2-5, establishes the following procedures for dissolving a relief association and terminating the pension plan:

The relief association board of trustees is required to:

1. Calculate assets, accounts payable, and pension benefit liabilities;
2. Liquidate enough special fund assets to pay “legal obligations;”
3. Prepare a schedule of firefighters with each firefighter’s pension amount, service, and pension payment date;
4. (a) Transfer remaining assets to the municipality for deposit into a trust that is invested in compliance with Minnesota Statutes, Section 424A.095 (same statute that governs investment of the special fund)

OR

(b) Purchase annuity contracts that will pay out pension benefits at retirement age (Minnesota Statutes, Section 424B.21).

Note: Staff advised and the work group concurred that proposed legislation should revise the last sentence of Minnesota Statutes, Section 424B.21, which requires title to annuity contracts to be transferred to the trust. Staff

noted that this seems to be a drafting error, since a trust is not necessary when annuity contracts are purchased. Title to annuity contracts should instead be required to be transferred to the municipality.

5. Transfer the records of the relief association to the municipality; and
6. Notify the Commissioner of Revenue, State Auditor, and Secretary of State within 30 days of the dissolution.

Amend procedures

The work group discussed and all members ultimately agreed that current state law, which both limited the ability of relief associations to increase the benefit level when they believe there is adequate surplus to fund the increase and requires payment of any surplus to the municipality upon termination of the plan, should be amended. Accordingly, the work group determined that Minnesota Statutes, Section 424B.20, should be amended to provide the following procedure for dissolving a relief association and terminating the related pension plan and paying out any surplus, that is, any assets in excess of benefit liabilities:

Immediate full vesting

1. All firefighters with any accrued benefit (that is, any years of service), who have not received their benefit yet, would become 100% vested on the plan termination date.

Benefit level increases

2. The relief association board of trustees may approve an amendment to their articles or bylaws to increase the benefit level, up to 125% of the current statutory maximum. With the statutory maximum currently at \$10,000, this means the relief association could approve an increase in the benefit level of up to \$12,500. If there is not enough surplus to fund a benefit level of \$12,500, the relief association may approve any lower benefit level that will result in the reduction of the surplus, even to zero. The board will need to determine whether only active firefighters as of the plan termination date will be entitled to the increased benefit or whether inactive firefighters will also receive the increase.

Note: To permit the foregoing process, which would likely require amendments to the relief association bylaws, any requirement in state law for municipal consent to bylaws amendments will need to be

amended, to eliminate the consent requirement, if the increase is in connection with the termination of the plan. This law change would alleviate concerns, discussed by the work group, that the municipality could terminate the services of all non-career firefighters before the effective date of a benefit level increase.

Recalculation of benefits

3. Current statutes, which require the determining the value of assets, accounts payable, and benefit liabilities would be retained. The calculation of benefit liabilities would be done by recalculating the benefits for all firefighters, taking into account the foregoing steps, which require full vesting and allow for an increase in the benefit level. Similarly, the current provision requiring the preparation of a schedule setting forth each firefighter's pension amount and service would be retained.

Amend to allow immediate distributions

4. The work group discussed the next step in the current statutory procedure which requires the relief association to transfer its assets to the municipality or an insurance company to be held for payment as firefighters reach age 50. The work group recommends amending this step to require the relief association to make distributions to all firefighters immediately (with the option to elect a rollover), regardless of the age of the firefighter. In other words, in the case of a plan termination, firefighters would not have to wait until age 50 to receive a distribution of their pension benefits.

This will allow for the elimination of the statutory language that provides for the transfer of assets to the municipality for distribution as firefighters reach age 50 or to an annuity provider that will distribute benefits as firefighters reach age 50.

Reasons discussed by the work group for preferring immediate distribution rather than transfer to the municipality or to purchase annuities include:

- Elimination of the need for the municipality to manage these assets, and for the firefighters to have to trust that the municipality will manage the assets prudently for potentially many years; and

Supplemental benefits

- Elimination of the expense of purchasing an annuity from an insurance company, which reduces the value of the pension benefits.

5. The work group noted that, under Minnesota Statutes, Section 424A.10, firefighters who are at least age 50 and receive a distribution are entitled to a supplemental benefit. Proposed legislation will amend this statute to allow for payment of the supplemental benefits to all firefighters, regardless of age, and any survivors who would otherwise be entitled to the payment under current law. The relief association would be required to reserve enough assets to pay the supplemental benefits as required by current statute.

Section 424A.10 also provides for reimbursement of the relief association for the supplemental benefits it pays. Since the relief association will likely no longer be in existence when the reimbursement is paid, proposed legislation would permit the municipality to retain the reimbursement instead of transferring it to the relief association as required under current law. The municipality would be required to use the reimbursement to make payments permitted under Minnesota Statutes, Section 424A.08.

LCPR staff will consult with the Department of Revenue to ensure that it can reimburse the municipality for payments of supplemental benefits to firefighters who are not yet age 50.

Pre-termination notice

6. Current statutes require notice to the Commissioner of Revenue, State Auditor, and the Secretary of State within 30 days after the dissolution of a relief association. Members of the work group who reviewed and commented on drafts of this report noted that it would be more helpful for this notice to be given at least 30 days prior to the wind-down of the relief association and termination of the plan. In preparing legislation amending the statutory procedures, LCPR staff will consult with these agencies to determine when notice would be most helpful and what information should be included in the notice.

Applicable state law — 424B.20, Subdivision 4, Paragraph (b)

Minnesota Statutes, Section 424B.20, Subdivision 4, Paragraph (b), requires that, after the municipality pays out all pension benefits according to the schedule, “any remaining assets in the trust fund cancel to the general fund of the municipality.”

Disposition of surplus assets

The work group considered the alternatives for distributing any remaining surplus, after taking into account full vesting and any increase in the benefit level. Alternatives included retaining current law, which would transfer the surplus to the municipality, distributing the surplus among the firefighters, and variations that would split the surplus between the municipality and the firefighters.

The work group settled on a compromise to include in proposed legislation: If, even after full vesting and an increase in the benefit level to \$12,500, there is still a surplus, the relief association will be required to transfer the surplus to the municipality, but only up to an amount that is equal to the sum of all required contributions made by the municipality to the relief association plan over the preceding 10 years (without any interest or earnings). Proposed legislation would require that the municipality use the surplus to make any of the payments authorized by Minnesota Statutes, Section 424A.08. Such payments include:

- Contributions to PERA Police and Fire Plan for firefighters;
- Payments to purchase and maintain fire equipment; and
- Payments to construct, acquire, repair, or maintain fire department buildings.

If the municipality did not make any required contributions during the preceding 10 years or, after the relief association transferred to the municipality surplus equal to the last ten years of required contributions, there is still surplus remaining, proposed legislation will require the relief association and the municipality to arrive at an agreement as to how to split the remaining surplus.

If the relief association and the municipality cannot reach agreement within 6 months of the plan termination date regarding how to split the surplus, the surplus must be

paid to the firefighters. The surplus is to be split among the firefighters according to the criteria established by the board of trustees, either based on years of service or in equal share to each firefighter. The board will need to decide which firefighters will share in the allocation: only active firefighters, or will inactive and recent retirees, as defined by the board, also share in the surplus.

Missing firefighters

Work group members noted that current statutes do not address how to deal with the benefits of firefighters who cannot be found or who do not respond to attempts to contact them. Proposed legislation will need to include the disposition of these benefits for “missing” firefighters.

Options to be investigated by LCPR staff include requiring the benefit to be transferred to the State under state escheat laws or to an IRA at a financial institution, in the name of the firefighter.

Repeal 2018 legislation on surplus

Work group members agreed that the law enacted in 2018 that applies to Plymouth and three other relief associations and that requires any surplus upon dissolution or termination of the relief association to go to the State’s general fund should be repealed. (The law is Minnesota Statutes, Section 424B.20, Subdivision 4a.)

Conclusion

The work group, consisting of firefighters, fire chiefs, municipal officials, and representatives from the League of Minnesota Cities and the State Auditor, met during the interim between the 2018 and 2019 legislative sessions and accomplished the tasks required by the 2018 Omnibus Pension and Retirement Act. In summary, the work group reached the following conclusions and made the following recommendations regarding legislation:

- *Data on prevalence of surplus assets.* The work group reviewed the data regarding relief association defined benefit pension plans that have assets in excess of

benefit liabilities: Based on the data as of December 31, 2017, out of 494 defined benefit plans, 447 plans, or 90% of the total, are overfunded, including 35 plans that have funded ratios of 200% or more (the funded ratio is assets compared to benefit liabilities). Funded status is determined as of a particular point in time and depends on market conditions at that time, which can vary significantly from year to year. Relief associations with significant surpluses from year to year have limited options for accessing that surplus under current law.

- *Survey to gather data and level of interest in converting from DB to DC.* The work group conducted a survey of the state's fire chiefs: 293 fire chiefs, or 38% of the total statewide, responded to the survey. This is a representative sample and drawn relatively evenly from across the state. The survey for the most part confirmed what is known anecdotally or from the State Auditor's reports, including regarding the prevalence of career-only fire departments, split between defined benefit and defined contribution relief association plans, and benefits provided through a relief association plan versus through the PERA statewide firefighter plan. One interesting data point was that, of the 293 respondents, 53 fire chiefs reported that their firefighters receive no compensation (no per hour or per call compensation) for their services, other than the retirement benefit. A very small minority of respondents reported that they were aware of interest on the part of the relief association in converting from a defined benefit to a defined contribution plan.
- *Proposed legislation adding conversion process.* The work group recommended legislation to add a process for converting from a defined benefit plan to a defined contribution plan: The work group developed specific requirements for doing a conversion that will include full vesting of all firefighters in their benefit accrued to the date of conversion, relief association ability to increase the benefit level to reduce the surplus, requirements regarding notice to the firefighters, the municipality, and the State Auditor, and options for allocating the surplus among firefighter accounts in the new defined contribution plan.

- *Proposed legislation amending the plan termination process and disposition of surplus.* The work group recommended legislation amending the requirements for terminating a relief association retirement plan: The work group recommended amendments that would include full vesting of all firefighters as of the termination date and immediate distribution of benefits. Proposed legislation would also change the disposition of surplus assets upon plan termination so that, instead of the surplus being transferred to the municipality, the relief association will be permitted to increase the benefit level per year of service, thereby reducing the surplus. If there is any surplus remaining, the law would require that the surplus to be transferred to the municipality up to the total amount of required contributions made by the municipality to the relief association over the preceding ten years. If the municipality made no required contributions, the surplus would be transferred as agreed to by the relief association and the municipality and, if no agreement, then the surplus would be allocated among the firefighters.

The work group identified representatives from the fire chiefs, firefighters, and municipal officials who would make themselves available to testify in support of the recommendations of the group when this report is considered by the LCPR.

***LCPR staff
contact***

Susan Lenczewski, LCPR Executive Director, drafted this report and is available to answer questions at 651.296.1309 or susan.lenczewski@lcpr.leg.mn.

Exhibit A
Financial and Investment Data for Lump Sum and Monthly Plans
For the Year Ended December 31, 2017*

Does not include relief associations with defined contribution plans
In order of best funded to least funded

Number of Associations:

300%+ Funded 8
200-299% Funded 27
100-199% Funded 412
90-99% Funded 30
< 90% Funded 17

Highest Funding Ratio: Chain of Lakes-222,503%, Nerstrand-650%
Lowest Funding Ratio: Emily-63%, Butterfield-75%

Fire Relief Association Name	Plan Type	Net Assets	Accrued Liability	Surplus or (Deficit)	Percent Funded	Deficit Amort. Payment	Normal Cost	Req'd. Contrib.
Chain of Lakes	Lump Sum	\$ 166,877	\$ 75	\$ 166,802	222503%	-	\$ 19	\$ (45,701)
Nerstrand	Lump Sum	105,075	16,157	88,918	650%	-	987	(22,885)
Brownsville	Lump Sum	255,038	63,213	191,825	403%	-	8,205	(29,112)
Elmer	Lump Sum	165,926	44,526	121,400	373%	-	2,070	(26,435)
Morse-Fall Lake	Lump Sum	407,432	111,196	296,236	366%	-	18,860	(65,220)
Squaw Lake	Lump Sum	342,093	93,874	248,219	364%	-	8,058	(39,622)
Bigelow	Lump Sum	270,933	76,991	193,942	352%	-	4,092	(36,144)
Carlton	Lump Sum	468,382	145,131	323,251	323%	-	28,537	(44,830)
Kennedy	Lump Sum	165,866	57,134	108,732	290%	-	4,767	(19,759)
Grygla	Lump Sum	213,822	75,320	138,502	284%	-	4,450	(30,812)
Mapleview	Lump Sum	325,418	115,656	209,762	281%	-	12,744	(24,223)
Middle River	Lump Sum	184,999	70,496	114,503	262%	-	6,408	(23,284)
Floodwood	Lump Sum	364,182	139,944	224,238	260%	-	18,120	(35,260)
Milan	Lump Sum	384,474	151,892	232,582	253%	-	10,872	(36,861)
Lakefield	Lump Sum	520,639	211,220	309,419	246%	-	22,640	(58,359)
Cyrus	Lump Sum	203,981	88,344	115,637	231%	-	7,696	(19,814)
La Salle	Lump Sum	106,717	46,570	60,147	229%	-	6,490	(11,438)
Saint Clair	Lump Sum	1,213,316	531,630	681,686	228%	-	32,430	(102,991)
Holland	Lump Sum	324,757	145,696	179,061	223%	-	7,688	(31,500)
Saint Augusta	Lump Sum	275,271	124,182	151,089	222%	-	17,115	(26,624)
Beardsley	Lump Sum	276,371	125,736	150,635	220%	-	12,840	(22,814)
Kerrick	Lump Sum	50,505	23,011	27,494	219%	-	1,828	(11,682)
Shelly	Lump Sum	204,986	93,696	111,290	219%	-	8,232	(24,247)
Orr	Lump Sum	247,146	113,438	133,708	218%	-	8,645	(20,764)
Flensburg	Lump Sum	165,148	76,839	88,309	215%	-	6,657	(23,520)
Edgerton	Lump Sum	606,589	284,954	321,635	213%	-	22,639	(51,188)
Jacobson	Lump Sum	209,438	98,444	110,994	213%	-	9,640	(17,434)
Bigfork	Lump Sum	402,902	190,302	212,600	212%	-	27,636	(37,544)
Roseau	Lump Sum	1,037,630	492,984	544,646	210%	-	54,828	(79,567)
Brownsdale	Lump Sum	477,720	233,734	243,986	204%	-	23,672	(35,286)
Sedan	Lump Sum	91,081	44,581	46,500	204%	-	3,835	(11,456)
Wilson	Lump Sum	664,650	326,000	338,650	204%	-	25,380	(46,026)

*Source: Office of the State Auditor

Exhibit A, p. 1

Exhibit A
Financial and Investment Data for Lump Sum and Monthly Plans
For the Year Ended December 31, 2017*

Fire Relief Association Name	Plan Type	Net Assets	Accrued Liability	Surplus or (Deficit)	Percent Funded	Deficit Amort. Payment	Normal Cost	Req'd. Contrib.
Hayward	Lump Sum	582,208	285,715	296,493	204%	-	23,914	(38,038)
Deer Creek	Lump Sum	352,833	173,848	178,985	203%	-	12,150	(27,346)
Kinney	Lump Sum	262,500	130,953	131,547	200%	-	9,170	(27,141)
Woodstock	Lump Sum	257,319	129,685	127,634	198%	-	10,623	(24,212)
Lismore	Lump Sum	238,920	120,868	118,052	198%	-	6,834	(30,390)
Clarkfield	Lump Sum	335,951	174,718	161,233	192%	-	17,974	(36,096)
Schroeder	Lump Sum	198,612	103,904	94,708	191%	-	14,623	(8,870)
Bluffton	Lump Sum	228,305	120,060	108,245	190%	-	8,304	(21,057)
Ostrander	Lump Sum	91,685	48,427	43,258	189%	-	6,457	(11,025)
Green Isle	Lump Sum	407,326	215,402	191,924	189%	-	18,920	(24,570)
Madison	Lump Sum	320,732	169,740	150,992	189%	-	22,900	(25,219)
Hokah	Lump Sum	165,713	87,979	77,734	188%	-	7,865	(24,291)
Lake Elmo	Lump Sum	1,279,379	683,744	595,635	187%	-	62,275	(65,436)
Badger	Lump Sum	145,523	77,930	67,593	187%	-	8,450	(15,342)
Walker	Lump Sum	1,201,721	644,280	557,441	187%	-	55,272	(87,402)
Hibbing	Lump Sum	272,589	148,260	124,329	184%	-	19,021	(27,142)
Hector	Lump Sum	828,234	453,222	375,012	183%	-	33,236	(56,805)
Bethel	Lump Sum	205,144	112,320	92,824	183%	-	9,204	(12,296)
Garvin	Lump Sum	155,502	85,338	70,164	182%	-	6,544	(14,743)
Bertha	Lump Sum	295,186	162,954	132,232	181%	-	15,288	(19,020)
Dodge Center	Lump Sum	810,863	448,987	361,876	181%	-	34,782	(51,277)
Rothsay	Lump Sum	406,243	226,128	180,115	180%	-	16,448	(41,979)
Willow River	Lump Sum	245,041	136,838	108,203	179%	-	8,848	(21,584)
Granada	Lump Sum	98,393	54,976	43,417	179%	-	6,200	(9,018)
Cotton	Lump Sum	337,206	190,288	146,918	177%	-	14,780	(26,941)
Chokio	Lump Sum	320,595	181,228	139,367	177%	-	15,392	(29,939)
Ruthon	Lump Sum	296,123	167,865	128,258	176%	-	9,810	(24,515)
Nevis	Lump Sum	313,458	178,753	134,705	175%	-	23,032	(27,026)
Glyndon	Lump Sum	562,274	320,856	241,418	175%	-	14,652	(56,893)
Sturgeon Lake	Lump Sum	170,511	97,398	73,113	175%	-	9,924	(12,835)
Crooked Lake	Lump Sum	212,071	121,459	90,612	175%	-	11,550	(16,001)
Hinckley	Lump Sum	657,195	378,078	279,117	174%	-	26,460	(58,105)
Lake Kabetogama	Lump Sum	270,706	155,912	114,794	174%	-	13,392	(17,018)
Goodland	Lump Sum	179,519	103,634	75,885	173%	-	12,006	(15,602)
Westbrook	Lump Sum	205,721	119,000	86,721	173%	-	16,506	(17,484)
Amboy	Lump Sum	170,561	99,296	71,265	172%	-	12,560	(14,614)
Clearbrook	Lump Sum	285,885	166,921	118,964	171%	-	15,979	(28,203)
Cass Lake	Lump Sum	753,679	440,710	312,969	171%	-	58,203	(48,243)
Twin Lakes (City)	Lump Sum	206,486	121,024	85,462	171%	-	7,224	(18,706)
Climax	Lump Sum	142,034	83,544	58,490	170%	-	6,732	(13,340)

*Source: Office of the State Auditor

Exhibit A
Financial and Investment Data for Lump Sum and Monthly Plans
For the Year Ended December 31, 2017*

Fire Relief Association Name	Plan Type	Net Assets	Accrued Liability	Surplus or (Deficit)	Percent Funded	Deficit Amort. Payment	Normal Cost	Req'd. Contrib.
Waverly	Lump Sum	507,902	299,704	208,198	169%	-	32,512	(20,400)
Ceylon	Lump Sum	360,536	213,103	147,433	169%	-	13,719	(23,626)
Wheaton	Lump Sum	619,366	366,786	252,580	169%	-	48,400	(44,370)
Fulda	Lump Sum	347,773	206,458	141,315	168%	-	26,308	(29,151)
Forest Lake	Lump Sum	2,413,801	1,436,213	977,588	168%	-	139,200	(190,370)
Clements	Lump Sum	221,726	132,195	89,531	168%	-	13,635	(16,078)
Clara City	Lump Sum	543,760	324,236	219,524	168%	-	25,532	(41,322)
Dovray	Lump Sum	94,525	56,541	37,984	167%	-	3,221	(12,020)
Annandale	Lump Sum	1,104,594	662,920	441,674	167%	-	62,223	(68,801)
Ellendale	Lump Sum	252,810	151,994	100,816	166%	-	8,820	(31,150)
Wyoming	Lump Sum	549,894	331,647	218,247	166%	-	49,412	(38,594)
Grand Meadow	Lump Sum	608,811	367,356	241,455	166%	-	24,750	(42,607)
Biwabik City	Lump Sum	310,743	187,530	123,213	166%	-	22,288	(9,228)
Mora	Lump Sum	756,504	459,078	297,426	165%	-	52,952	(56,328)
McGrath	Lump Sum	236,564	144,142	92,422	164%	-	7,334	(25,545)
McDavitt	Lump Sum	215,956	131,837	84,119	164%	-	15,457	(11,251)
Plymouth	LS/Mo. Ben.	8,285,227	5,068,984	3,216,243	163%	-	314,855	-
Blackduck	Lump Sum	340,961	209,143	131,818	163%	-	19,695	(20,788)
Cook	Lump Sum	437,978	269,625	168,353	162%	-	20,750	(33,353)
Finlayson	Lump Sum	229,679	142,092	87,587	162%	-	11,952	(25,935)
Clear Lake	Lump Sum	859,612	532,612	327,000	161%	-	46,752	(46,238)
Watson	Lump Sum	347,604	215,476	132,128	161%	-	11,726	(22,249)
Gonvick	Lump Sum	314,290	195,011	119,279	161%	-	17,537	(18,736)
Blackhoof	Lump Sum	172,254	107,473	64,781	160%	-	7,619	(16,646)
Sandstone	Lump Sum	272,609	170,590	102,019	160%	-	22,575	(16,176)
Truman	Lump Sum	327,825	205,328	122,497	160%	-	21,350	(19,466)
Balsam	Lump Sum	481,145	301,470	179,675	160%	-	26,962	(20,012)
Claremont	Lump Sum	167,032	105,169	61,863	159%	-	10,017	(14,886)
Maple Hill	Lump Sum	339,805	213,964	125,841	159%	-	20,422	(15,023)
Dover	Lump Sum	384,338	242,047	142,291	159%	-	17,860	(27,105)
Ironton	Lump Sum	177,535	111,825	65,710	159%	-	14,508	(11,745)
Cottonwood	Lump Sum	486,644	307,584	179,060	158%	-	24,066	(40,636)
Heron Lake	Lump Sum	271,475	171,588	99,887	158%	-	12,300	(21,827)
Northfield	Lump Sum	6,682,622	4,235,375	2,447,247	158%	-	245,480	(354,572)
New Munich	Lump Sum	178,128	113,135	64,993	157%	-	11,713	(12,015)
Almelund	Lump Sum	522,617	332,464	190,153	157%	-	24,644	(30,850)
Cherry	Lump Sum	350,307	223,488	126,819	157%	-	23,544	(11,582)
Hugo	Lump Sum	1,575,557	1,005,277	570,280	157%	-	103,340	(72,042)
Russell	Lump Sum	183,132	118,030	65,102	155%	-	9,420	(17,801)
Graceville	Lump Sum	293,630	189,839	103,791	155%	-	16,133	(27,763)

*Source: Office of the State Auditor

Exhibit A
Financial and Investment Data for Lump Sum and Monthly Plans
For the Year Ended December 31, 2017*

Fire Relief Association Name	Plan Type	Net Assets	Accrued Liability	Surplus or (Deficit)	Percent Funded	Deficit Amort. Payment	Normal Cost	Req'd. Contrib.
Brooten	Lump Sum	464,637	300,662	163,975	155%	-	21,607	(27,981)
Kasota	Lump Sum	642,425	416,419	226,006	154%	-	38,664	(26,248)
Franklin	Lump Sum	432,610	282,016	150,594	153%	-	26,440	(16,446)
Atwater	Lump Sum	509,971	332,880	177,091	153%	-	19,080	(40,803)
Brimson	Lump Sum	178,988	116,900	62,088	153%	-	14,480	(7,490)
Oronoco	Lump Sum	375,635	246,438	129,197	152%	-	26,499	(10,741)
Ada	Lump Sum	541,410	355,464	185,946	152%	-	23,256	(38,045)
Foreston	Lump Sum	331,844	218,869	112,975	152%	-	11,801	(28,029)
Randolph	Lump Sum	916,441	604,702	311,739	152%	-	50,844	(28,357)
Grand Rapids	Lump Sum	2,472,073	1,632,966	839,107	151%	-	170,273	(124,611)
Bayport	Lump Sum	2,295,707	1,524,446	771,261	151%	-	131,196	(116,717)
Backus	Lump Sum	588,092	391,754	196,338	150%	-	53,376	(296)
Blue Earth	Lump Sum	1,422,717	953,154	469,563	149%	-	65,006	(67,667)
Saint Martin	Lump Sum	631,328	423,120	208,208	149%	-	38,784	(19,539)
Lake Park	Lump Sum	379,957	255,001	124,956	149%	-	20,861	(33,125)
Beaver Creek	Lump Sum	131,952	88,620	43,332	149%	-	7,110	(13,146)
North East Sherburne	Lump Sum	559,565	376,645	182,920	149%	-	54,351	(17,734)
Maplewood	Lump Sum	5,084,242	3,434,270	1,649,972	148%	-	246,701	(235,771)
Park Rapids	Lump Sum	1,365,607	923,090	442,517	148%	-	83,230	(105,970)
Morgan	Lump Sum	692,412	468,113	224,299	148%	-	34,159	(35,765)
New Brighton	Lump Sum	4,059,713	2,752,292	1,307,421	148%	-	265,990	(119,812)
Altura	Lump Sum	192,519	130,734	61,785	147%	-	10,230	(16,259)
Vadnais Heights	Lump Sum	1,590,991	1,084,134	506,857	147%	-	133,292	(38,195)
Stillwater	Lump Sum	4,176,926	2,847,305	1,329,621	147%	-	196,690	(184,239)
Farmington	Lump Sum	2,631,318	1,797,584	833,734	146%	-	228,682	(91,362)
Madison Lake	Lump Sum	594,939	408,463	186,476	146%	-	37,520	(14,186)
Lewisville	Lump Sum	207,258	142,804	64,454	145%	-	11,144	(20,624)
Lake Lillian	Lump Sum	134,814	93,660	41,154	144%	-	7,764	(16,076)
Chatfield	Lump Sum	379,260	263,767	115,493	144%	-	33,705	(24,003)
Woodbury	Lump Sum	12,908,757	8,978,963	3,929,794	144%	-	658,526	(612,534)
Owatonna	Lump Sum	3,861,112	2,689,091	1,172,021	144%	-	198,273	(190,277)
Jeffers	Lump Sum	203,606	142,119	61,487	143%	-	10,801	(14,090)
Lakeville	Lump Sum	9,060,977	6,340,019	2,720,958	143%	-	610,938	(340,292)
Kimball	Lump Sum	387,849	271,506	116,343	143%	-	27,825	(14,839)
Dumont	Lump Sum	139,182	97,769	41,413	142%	-	7,140	(15,982)
Bird Island	Lump Sum	358,740	252,414	106,326	142%	-	25,947	(16,704)
Lonsdale	Lump Sum	1,222,871	860,950	361,921	142%	-	65,750	(47,170)
Zumbro Falls	Lump Sum	409,312	289,752	119,560	141%	-	23,940	(17,579)
Hamel	Lump Sum	1,585,448	1,123,864	461,584	141%	-	81,966	(68,334)
Windom	Lump Sum	1,390,150	986,076	404,074	141%	-	72,488	(60,903)

*Source: Office of the State Auditor

Exhibit A
Financial and Investment Data for Lump Sum and Monthly Plans
For the Year Ended December 31, 2017*

Fire Relief Association Name	Plan Type	Net Assets	Accrued Liability	Surplus or (Deficit)	Percent Funded	Deficit Amort. Payment	Normal Cost	Req'd. Contrib.
Saint Charles	Lump Sum	939,502	666,520	272,982	141%	-	56,400	(46,496)
Lakewood	Lump Sum	348,624	248,081	100,543	141%	-	17,391	(18,031)
Osseo	Lump Sum	403,511	287,248	116,263	140%	-	34,272	(7,137)
Rosemount	Lump Sum	3,968,654	2,826,720	1,141,934	140%	-	290,448	(123,490)
West Concord	Lump Sum	371,217	264,488	106,729	140%	-	18,458	(33,522)
Dexter	Lump Sum	209,562	149,391	60,171	140%	-	9,549	(11,664)
Hills	Lump Sum	252,543	180,397	72,146	140%	-	18,615	(13,963)
Deer River	Lump Sum	589,425	421,768	167,657	140%	-	40,084	(36,226)
Stewart	Lump Sum	445,600	318,994	126,606	140%	-	23,550	(14,501)
Randall	Lump Sum	459,692	329,160	130,532	140%	-	43,240	(1,235)
Warroad	Lump Sum	647,607	463,734	183,873	140%	-	39,355	(31,574)
Glenwood	Lump Sum	807,277	579,070	228,207	139%	-	48,447	(38,845)
Mapleton	Lump Sum	727,711	523,600	204,111	139%	-	47,200	(24,984)
Golden Valley	Lump Sum	5,545,946	4,001,096	1,544,850	139%	-	413,927	(28,271)
Elrosa	Lump Sum	422,895	305,129	117,766	139%	-	17,676	(30,144)
Silver Bay	Lump Sum	691,168	499,056	192,112	138%	-	32,608	(36,411)
Morristown	Lump Sum	1,175,219	849,032	326,187	138%	-	51,524	(60,512)
Nisswa	Lump Sum	1,186,710	860,180	326,530	138%	-	52,020	(82,447)
Motley	Lump Sum	367,046	266,832	100,214	138%	-	28,400	(8,341)
Richmond	Lump Sum	600,190	436,602	163,588	137%	-	34,802	(21,347)
Jackson	Lump Sum	1,040,601	758,047	282,554	137%	-	73,226	(46,919)
Red Wing	Lump Sum	1,433,433	1,044,457	388,976	137%	-	106,956	(95,137)
Argyle	Lump Sum	228,326	166,575	61,751	137%	-	15,143	(15,890)
Herman	Lump Sum	259,859	189,716	70,143	137%	-	17,823	(20,791)
Fergus Falls	Lump Sum	2,556,986	1,867,928	689,058	137%	-	153,732	(109,993)
Wrenshall	Lump Sum	308,978	226,008	82,970	137%	-	15,372	(15,628)
Meadowlands	Lump Sum	88,691	64,890	23,801	137%	-	7,130	(6,558)
Grey Eagle	Lump Sum	448,902	328,444	120,458	137%	-	17,850	(22,600)
Wendell	Lump Sum	251,420	184,320	67,100	136%	-	15,480	(19,848)
Walters	Lump Sum	193,988	142,544	51,444	136%	-	8,168	(13,728)
Wykoff	Lump Sum	303,153	222,968	80,185	136%	-	24,840	(5,895)
Lower St. Croix Valley	Lump Sum	1,638,908	1,207,869	431,039	136%	-	89,600	(45,313)
McIntosh	Lump Sum	221,322	163,668	57,654	135%	-	13,435	(9,826)
Blooming Prairie	Lump Sum	591,749	437,676	154,073	135%	-	38,330	(40,033)
Carver	Lump Sum	831,111	615,535	215,576	135%	-	58,186	(9,202)
Kellogg	Lump Sum	425,861	315,568	110,293	135%	-	21,436	(24,281)
Buffalo Lake	Lump Sum	491,195	365,031	126,164	135%	-	34,537	(11,114)
Proctor	Lump Sum	562,607	418,449	144,158	134%	-	47,200	(9,424)
Vining	Lump Sum	124,938	93,097	31,841	134%	-	6,560	(10,178)
Trout Lake	Lump Sum	432,793	322,495	110,298	134%	-	25,984	(19,388)

*Source: Office of the State Auditor

Exhibit A
Financial and Investment Data for Lump Sum and Monthly Plans
For the Year Ended December 31, 2017*

Fire Relief Association Name	Plan Type	Net Assets	Accrued Liability	Surplus or (Deficit)	Percent Funded	Deficit Amort. Payment	Normal Cost	Req'd. Contrib.
Ghent	Lump Sum	198,303	147,874	50,429	134%	-	16,460	(7,165)
Evansville	Lump Sum	278,468	207,653	70,815	134%	-	21,010	(16,254)
Battle Lake	Lump Sum	597,843	446,795	151,048	134%	-	35,630	(25,989)
South Haven	Lump Sum	657,515	493,025	164,490	133%	-	37,258	(8,530)
Dassel	Lump Sum	1,153,817	866,025	287,792	133%	-	58,352	(59,623)
Campbell	Lump Sum	261,485	196,385	65,100	133%	-	12,410	(19,576)
Albany	Lump Sum	720,237	541,434	178,803	133%	-	49,380	(30,032)
Storden	Lump Sum	180,871	136,052	44,819	133%	-	13,090	(13,387)
Wilmont	Lump Sum	311,025	234,259	76,766	133%	-	16,035	(20,344)
Centennial	Lump Sum	3,637,075	2,744,318	892,757	133%	-	228,790	(177,665)
White Bear Lake	LS/Mo. Ben.	7,023,488	5,300,482	1,723,006	133%	-	154,753	-
Excelsior	Lump Sum	6,346,943	4,793,908	1,553,035	132%	-	358,625	(180,949)
Dunnell	Lump Sum	164,217	124,074	40,143	132%	-	8,544	(9,074)
Delano	Lump Sum	1,148,502	868,888	279,614	132%	-	48,686	(71,987)
Luverne	Lump Sum	1,105,225	838,432	266,793	132%	-	61,080	(43,697)
Hastings	Lump Sum	4,320,433	3,281,081	1,039,352	132%	-	267,353	(168,104)
Stewartville	Lump Sum	1,697,180	1,291,130	406,050	131%	-	94,440	(78,237)
Thomson	Lump Sum	715,838	546,181	169,657	131%	-	42,398	(34,370)
Minneota	Lump Sum	561,879	428,972	132,907	131%	-	38,612	(20,239)
Walnut Grove	Lump Sum	156,043	119,175	36,868	131%	-	13,211	(13,949)
Greenway	Lump Sum	418,699	322,133	96,566	130%	-	31,496	(3,601)
North Mankato	Lump Sum	2,317,645	1,789,056	528,589	130%	-	141,074	(68,837)
Hendrum	Lump Sum	144,081	111,566	32,515	129%	-	7,682	(11,959)
Lamberton	Lump Sum	348,738	270,057	78,681	129%	-	20,181	(19,714)
Cold Spring	Lump Sum	900,737	697,601	203,136	129%	-	58,334	(41,986)
Twin Lakes (VFD)	Lump Sum	109,167	84,564	24,603	129%	-	6,696	(8,277)
Warren	Lump Sum	399,684	310,703	88,981	129%	-	25,179	(26,747)
Loretto	Lump Sum	1,822,070	1,417,862	404,208	129%	-	125,338	(3,745)
Lake Benton	Lump Sum	302,583	235,501	67,082	128%	-	19,482	(26,668)
Caledonia	Lump Sum	451,618	351,889	99,729	128%	-	29,260	(29,541)
Belgrade	Lump Sum	460,281	360,110	100,171	128%	-	24,280	(19,852)
Sherburn	Lump Sum	551,368	431,814	119,554	128%	-	28,530	(17,844)
Princeton	Lump Sum	1,649,455	1,292,592	356,863	128%	-	108,347	(37,411)
Little Canada	Lump Sum	1,928,634	1,514,401	414,233	127%	-	99,843	(66,665)
Deerwood	Lump Sum	475,466	373,952	101,514	127%	-	32,608	(22,746)
Saint Bonifacius	Lump Sum	1,056,697	832,580	224,117	127%	-	82,040	(15,200)
Adrian	Lump Sum	382,159	301,175	80,984	127%	-	31,250	(6,720)
Vernon Center	Lump Sum	198,062	156,137	41,925	127%	-	11,019	(14,931)
Clinton [Big Stone]	Lump Sum	154,476	121,920	32,556	127%	-	13,176	(7,614)
Prinsburg	Lump Sum	221,695	175,000	46,695	127%	-	9,674	(16,876)

*Source: Office of the State Auditor

Exhibit A
Financial and Investment Data for Lump Sum and Monthly Plans
For the Year Ended December 31, 2017*

Fire Relief Association Name	Plan Type	Net Assets	Accrued Liability	Surplus or (Deficit)	Percent Funded	Deficit Amort. Payment	Normal Cost	Req'd. Contrib.
Bemidji	Lump Sum	3,658,526	2,890,641	767,885	127%	-	220,080	(197,365)
Hanley Falls	Lump Sum	161,135	127,364	33,771	127%	-	11,893	(10,955)
Lake Johanna	LS/Mo. Ben.	6,713,636	5,307,484	1,406,152	126%	-	304,999	-
Long Prairie	Lump Sum	564,352	448,449	115,903	126%	-	37,310	(34,040)
Lewiston	Lump Sum	791,988	629,364	162,624	126%	-	49,802	(22,134)
Shakopee	Lump Sum	6,367,761	5,067,975	1,299,786	126%	-	424,856	(181,872)
Detroit Lakes	Lump Sum	2,052,197	1,635,658	416,539	125%	-	159,625	(60,702)
Glencoe	LS/Mo. Ben.	1,297,138	1,034,356	262,782	125%	-	42,839	-
Taunton	Lump Sum	106,631	85,122	21,509	125%	-	5,612	(10,320)
Lucan	Lump Sum	186,956	149,302	37,654	125%	-	11,590	(12,092)
Silica	Lump Sum	194,666	155,480	39,186	125%	-	14,160	(6,899)
Fayal	Lump Sum	483,369	386,266	97,103	125%	-	31,654	(10,495)
Hallock	Lump Sum	226,728	181,257	45,471	125%	-	16,811	(15,419)
Pelican Rapids	Lump Sum	792,394	634,289	158,105	125%	-	67,108	(48,912)
Lake Henry	Lump Sum	274,938	220,524	54,414	125%	-	14,148	(10,068)
New Ulm	LS/Mo. Ben.	2,876,138	2,310,308	565,830	124%	-	78,728	-
Eitzen	Lump Sum	212,069	170,404	41,665	124%	-	13,910	(14,258)
Eastern Hubbard	Lump Sum	446,683	359,031	87,652	124%	-	33,500	(5,846)
Rice	Lump Sum	456,422	367,159	89,263	124%	-	22,722	(28,404)
Mantorville	Lump Sum	480,137	386,266	93,871	124%	-	31,704	(13,815)
Pine City	Mo. Benefit	1,285,578	1,035,289	250,289	124%	-	15,296	-
Ham Lake	Lump Sum	1,890,542	1,523,548	366,994	124%	-	122,060	(63,416)
Elko New Market	Lump Sum	2,870,846	2,314,547	556,299	124%	-	165,816	(47,035)
Roseville	LS/Mo. Ben.	11,681,497	9,422,327	2,259,170	124%	-	70,285	-
Renville	Lump Sum	281,410	227,192	54,218	124%	-	30,800	(3,835)
Hanska	Lump Sum	272,364	219,943	52,421	124%	-	16,690	(11,036)
Arlington	Lump Sum	855,956	692,235	163,721	124%	-	45,511	(27,034)
Wood Lake	Lump Sum	192,766	156,122	36,644	123%	-	14,821	(8,519)
Brooklyn Center	LS/Mo. Ben.	4,238,325	3,436,823	801,502	123%	-	113,828	-
Chandler	Lump Sum	262,840	213,217	49,623	123%	-	15,498	(9,979)
Saint Joseph	Lump Sum	785,526	637,674	147,852	123%	-	60,313	(38,571)
Byron	Lump Sum	607,359	493,052	114,307	123%	-	49,863	(24,687)
Montevideo	Lump Sum	1,026,408	834,144	192,264	123%	-	78,624	(11,101)
Kandiyohi	Lump Sum	538,411	439,302	99,109	123%	-	30,332	(10,893)
La Crescent	Lump Sum	938,804	766,542	172,262	122%	-	66,744	(30,444)
Buffalo	Lump Sum	1,850,992	1,512,124	338,868	122%	-	134,911	(74,765)
Ormsby	Lump Sum	135,485	110,844	24,641	122%	-	9,852	(8,631)
Elk River	Lump Sum	3,753,140	3,071,297	681,843	122%	-	247,844	(133,820)
Perham	Lump Sum	1,028,962	842,312	186,650	122%	-	62,000	(42,219)
Waseca	Lump Sum	1,607,669	1,316,234	291,435	122%	-	113,928	(45,092)

*Source: Office of the State Auditor

Exhibit A, p. 7

Exhibit A
Financial and Investment Data for Lump Sum and Monthly Plans
For the Year Ended December 31, 2017*

Fire Relief Association Name	Plan Type	Net Assets	Accrued Liability	Surplus or (Deficit)	Percent Funded	Deficit Amort. Payment	Normal Cost	Req'd. Contrib.
Lindstrom	Lump Sum	923,005	755,948	167,057	122%	-	65,572	(21,605)
Monticello	Lump Sum	1,286,019	1,053,956	232,063	122%	-	105,185	(99,882)
Pine Island	Lump Sum	873,894	716,485	157,409	122%	-	76,588	(18,181)
Menahga	Lump Sum	405,971	333,064	72,907	122%	-	27,352	(10,718)
Spring Valley	Lump Sum	607,633	498,810	108,823	122%	-	37,097	(15,625)
Albertville	Lump Sum	855,536	702,426	153,110	122%	-	55,632	(59,027)
Cromwell	Lump Sum	412,270	338,490	73,780	122%	-	30,750	(10,519)
Harmony	Lump Sum	398,297	327,556	70,741	122%	-	22,610	(16,878)
Hancock	Lump Sum	285,582	234,976	50,606	122%	-	16,692	(20,967)
Inver Grove Heights	Lump Sum	5,732,792	4,717,199	1,015,593	122%	-	441,926	(57,097)
Kilkenny	Lump Sum	501,562	412,852	88,710	121%	-	27,898	(5,303)
Pequot Lakes	Lump Sum	1,644,018	1,355,064	288,954	121%	-	107,100	(40,951)
Easton	Lump Sum	229,782	189,765	40,017	121%	-	10,218	(15,505)
Becker	Lump Sum	1,558,024	1,287,020	271,004	121%	-	113,361	(48,638)
Lowry	Lump Sum	516,630	427,619	89,011	121%	-	28,644	(16,805)
Isle	Lump Sum	644,933	534,219	110,714	121%	-	31,795	(40,196)
Canton	Lump Sum	77,678	64,422	13,256	121%	-	7,965	(8,179)
Bowlus	Lump Sum	312,166	259,084	53,082	120%	-	15,344	(12,014)
Thief River Falls	Lump Sum	1,096,247	910,591	185,656	120%	-	80,828	(54,358)
Wadena	Lump Sum	941,023	781,769	159,254	120%	-	53,789	(25,173)
Prior Lake	Lump Sum	4,898,617	4,078,166	820,451	120%	-	346,642	(133,239)
Watkins	Lump Sum	552,794	461,136	91,658	120%	-	31,538	(10,971)
Okabena	Lump Sum	238,168	198,993	39,175	120%	-	14,280	(13,336)
Bellingham	Lump Sum	195,633	163,602	32,031	120%	51	17,525	(4,925)
Grove City	Lump Sum	195,959	163,893	32,066	120%	-	18,484	(9,590)
Brainerd	Lump Sum	3,409,179	2,853,221	555,958	119%	-	309,443	(65,227)
New Richland	Lump Sum	326,739	274,104	52,635	119%	-	25,512	(18,348)
Jasper	Lump Sum	284,339	239,168	45,171	119%	-	19,922	(13,476)
Royalton	Lump Sum	324,456	273,398	51,058	119%	-	23,495	(6,118)
East Bethel	Lump Sum	1,985,599	1,673,408	312,191	119%	-	150,528	6,072
Harris	Lump Sum	205,131	173,206	31,925	118%	-	15,622	(11,328)
Chisholm	Lump Sum	715,856	605,631	110,225	118%	-	72,385	4,404
Chisago	Lump Sum	1,189,254	1,007,212	182,042	118%	-	81,680	(4,115)
New Germany	Lump Sum	676,862	575,121	101,741	118%	-	36,261	(12,275)
Iona	Lump Sum	123,516	105,192	18,324	117%	-	6,736	(5,541)
Eveleth	Lump Sum	467,121	398,349	68,772	117%	-	35,490	(3,564)
Rockford	Lump Sum	580,097	494,936	85,161	117%	-	47,672	(12,089)
Redwood Falls	Lump Sum	948,260	809,557	138,703	117%	-	89,021	(9,072)
Foley	Lump Sum	896,855	766,442	130,413	117%	-	69,782	(27,332)
Sauk Rapids	Lump Sum	2,425,878	2,074,670	351,208	117%	-	134,550	(93,730)

*Source: Office of the State Auditor

Exhibit A
Financial and Investment Data for Lump Sum and Monthly Plans
For the Year Ended December 31, 2017*

Fire Relief Association Name	Plan Type	Net Assets	Accrued Liability	Surplus or (Deficit)	Percent Funded	Deficit Amort. Payment	Normal Cost	Req'd. Contrib.
Morris	Lump Sum	512,640	438,640	74,000	117%	-	54,956	(9,354)
East Grand Forks	Lump Sum	1,224,295	1,048,847	175,448	117%	-	93,439	(38,058)
Halstad	Lump Sum	219,113	187,855	31,258	117%	-	16,324	(12,608)
Clearwater	Lump Sum	540,949	464,352	76,597	116%	-	41,942	(15,907)
Cleveland	Lump Sum	617,561	530,592	86,969	116%	-	44,992	(3,105)
Saint Peter	Lump Sum	1,279,060	1,099,924	179,136	116%	3,232	98,447	(15,810)
Good Thunder	Lump Sum	605,930	521,154	84,776	116%	-	38,828	(8,497)
Buhl	Lump Sum	151,570	130,413	21,157	116%	-	14,680	(3,815)
Cohasset	Lump Sum	725,054	624,281	100,773	116%	-	48,657	(7,040)
Hopkins	Lump Sum	3,369,729	2,905,900	463,829	116%	-	272,820	(1,779)
Eyota	Lump Sum	377,593	325,912	51,681	116%	-	38,752	(2,626)
Long Lake	Lump Sum	2,030,486	1,754,223	276,263	116%	-	163,661	(51,681)
Howard Lake	Lump Sum	669,963	578,984	90,979	116%	-	40,056	(13,467)
Kasson	Lump Sum	504,711	436,608	68,103	116%	-	61,152	363
Baudette	Lump Sum	461,580	399,504	62,076	116%	-	31,046	(19,213)
Comfrey	Lump Sum	210,098	182,108	27,990	115%	-	15,022	(10,938)
Hanover	Lump Sum	907,669	787,230	120,439	115%	-	49,775	(39,605)
Leaf Valley	Lump Sum	253,258	219,854	33,404	115%	2,823	15,959	(3,673)
Paynesville	Lump Sum	772,501	672,210	100,291	115%	-	52,687	(26,291)
Carlos	Lump Sum	1,514,815	1,318,463	196,352	115%	-	84,216	(19,019)
Waubun	Lump Sum	205,503	179,000	26,503	115%	-	13,295	(10,197)
Ideal	Lump Sum	959,395	835,952	123,443	115%	-	62,094	(12,834)
Preston	Lump Sum	479,262	418,566	60,696	115%	-	39,328	(5,330)
Stacy-Lent Area	Lump Sum	682,703	596,540	86,163	114%	-	43,808	(4,965)
Frazee	Lump Sum	447,107	390,687	56,420	114%	-	35,084	(12,406)
Maynard	Lump Sum	331,637	290,271	41,366	114%	-	24,385	(9,716)
Lafayette	Lump Sum	472,603	414,576	58,027	114%	-	40,032	(1,465)
Zimmerman	Lump Sum	1,109,596	974,412	135,184	114%	-	115,538	(20,314)
Waldorf	Lump Sum	218,703	192,506	26,197	114%	-	17,689	(8,189)
Minnetonka	LS/Mo. Ben.	17,107,975	15,064,671	2,043,304	114%	-	259,607	-
Odin	Lump Sum	156,554	138,228	18,326	113%	-	9,398	(5,564)
Sartell	Lump Sum	977,028	862,839	114,189	113%	-	86,533	(71,947)
Brownston	Lump Sum	526,625	465,576	61,049	113%	-	34,680	(2,963)
Watertown	Lump Sum	1,267,604	1,121,144	146,460	113%	-	74,918	(30,531)
Saint Michael	Lump Sum	1,458,669	1,290,166	168,503	113%	-	112,160	(52,268)
Alexandria	Lump Sum	3,283,070	2,915,189	367,881	113%	38,848	239,322	15,785
Dalton	Lump Sum	246,424	218,900	27,524	113%	-	16,628	(11,388)
Rose Creek	Lump Sum	141,394	125,736	15,658	112%	-	8,016	(11,573)
Ortonville	Lump Sum	408,706	363,824	44,882	112%	-	33,648	(3,746)
Nicollet	Lump Sum	699,195	623,088	76,107	112%	51	58,184	(6,139)

*Source: Office of the State Auditor

Exhibit A, p. 9

Exhibit A
Financial and Investment Data for Lump Sum and Monthly Plans
For the Year Ended December 31, 2017*

Fire Relief Association Name	Plan Type	Net Assets	Accrued Liability	Surplus or (Deficit)	Percent Funded	Deficit Amort. Payment	Normal Cost	Req'd. Contrib.
Little Falls	Lump Sum	1,651,225	1,471,919	179,306	112%	-	119,227	(51,452)
Holdingford	Lump Sum	427,324	381,318	46,006	112%	-	28,210	(11,234)
Garrison	Lump Sum	717,775	640,588	77,187	112%	-	86,020	9,058
Breckenridge	Lump Sum	582,840	520,406	62,434	112%	5,397	34,970	(16,008)
Saint Anthony	Lump Sum	1,033,263	923,088	110,175	112%	-	79,728	(20,687)
Verndale	Lump Sum	670,769	599,800	70,969	112%	-	46,840	(611)
Olivia	Lump Sum	482,059	431,222	50,837	112%	-	26,752	(21,580)
Worthington	LS/Mo. Ben.	1,149,858	1,029,732	120,126	112%	-	51,485	36,728
Henderson	Lump Sum	274,225	246,496	27,729	111%	6,907	21,510	13,068
Dayton	Lump Sum	600,372	539,697	60,675	111%	-	47,486	(4,900)
Onamia	Lump Sum	388,355	349,168	39,187	111%	-	23,112	(16,634)
Robbinsdale	LS/Mo. Ben.	1,887,392	1,700,960	186,432	111%	-	105,634	24,275
Browns Valley	Lump Sum	169,310	152,711	16,599	111%	-	14,858	(3,702)
Avon	Lump Sum	662,749	597,820	64,929	111%	-	54,160	(6,920)
New London	Lump Sum	508,224	458,526	49,698	111%	-	36,128	(33,023)
Clinton [St Louis]	Lump Sum	210,270	189,944	20,326	111%	-	18,792	(2,819)
Two Harbors	Lump Sum	848,748	766,995	81,753	111%	-	82,411	(848)
Littlefork	Lump Sum	567,039	512,432	54,607	111%	-	43,662	(1,826)
Trimont	Lump Sum	350,766	317,226	33,540	111%	-	25,095	(14,439)
Taylors Falls	Lump Sum	460,860	417,032	43,828	111%	-	32,480	(820)
Pierz	Lump Sum	759,024	687,039	71,985	110%	-	58,141	(21,202)
Ellsworth	Lump Sum	281,346	255,392	25,954	110%	-	12,364	(20,237)
Courtland	Lump Sum	509,367	463,256	46,111	110%	33	32,984	(4,821)
Remer	Lump Sum	402,694	366,860	35,834	110%	-	34,440	(9,548)
Keewatin	Lump Sum	247,317	225,320	21,997	110%	-	24,440	2,819
Spicer	Lump Sum	422,215	384,841	37,374	110%	-	32,015	(11,785)
Danube	Lump Sum	267,683	244,194	23,489	110%	-	21,240	(6,571)
Maple Plain	Lump Sum	1,294,737	1,181,916	112,821	110%	-	68,409	(22,872)
Saint James	Lump Sum	948,230	866,233	81,997	109%	-	63,910	(17,165)
Bagley	Lump Sum	418,413	382,475	35,938	109%	-	38,781	(7,639)
Garfield	Lump Sum	601,605	550,085	51,520	109%	-	46,381	(2,474)
Boyd	Lump Sum	297,358	271,920	25,438	109%	-	14,918	(9,790)
Miesville	Lump Sum	391,528	358,548	32,980	109%	-	19,555	(14,645)
Pillager	Lump Sum	1,025,263	939,201	86,062	109%	-	78,240	(17,594)
Fifty Lakes	Lump Sum	186,668	171,202	15,466	109%	-	19,742	(7)
Mountain Lake	Lump Sum	255,313	234,816	20,497	109%	-	29,856	(9,884)
Babbitt	Lump Sum	581,384	534,851	46,533	109%	-	37,410	(8,334)
Montgomery	Lump Sum	629,769	579,714	50,055	109%	-	57,036	(718)
Tofte	Lump Sum	273,876	252,370	21,506	109%	1,817	19,856	5,458
Sauk Centre	Lump Sum	787,143	726,540	60,603	108%	-	54,840	(26,590)

*Source: Office of the State Auditor

Exhibit A, p. 10

Exhibit A
Financial and Investment Data for Lump Sum and Monthly Plans
For the Year Ended December 31, 2017*

Fire Relief Association Name	Plan Type	Net Assets	Accrued Liability	Surplus or (Deficit)	Percent Funded	Deficit Amort. Payment	Normal Cost	Req'd. Contrib.
Medford	Lump Sum	574,379	530,432	43,947	108%	-	45,136	1,640
Tyler	Lump Sum	391,369	362,190	29,179	108%	1,897	21,945	(11,677)
Dawson	Lump Sum	632,095	585,769	46,326	108%	-	51,840	(1,393)
Karlstad	Lump Sum	224,361	208,061	16,300	108%	-	15,477	(13,936)
Hayfield	Lump Sum	539,718	500,700	39,018	108%	-	41,597	(15,331)
New Auburn	Lump Sum	265,660	246,967	18,693	108%	-	18,400	(5,600)
Janesville	Lump Sum	520,673	484,652	36,021	107%	-	44,911	762
Nashwauk	Lump Sum	352,528	328,312	24,216	107%	-	30,736	1,453
Hartland	Lump Sum	217,548	203,078	14,470	107%	-	21,600	(3,553)
Jordan	Lump Sum	890,080	832,532	57,548	107%	30,076	71,136	18,928
Rogers	Lump Sum	1,344,805	1,260,198	84,607	107%	-	123,829	(32,569)
Minnesota Lake	Lump Sum	336,743	316,004	20,739	107%	-	31,642	2,938
Winsted	Lump Sum	457,702	429,635	28,067	107%	-	29,400	(13,388)
International Falls	Lump Sum	748,643	703,845	44,798	106%	914	92,664	(1,662)
Moose Lake	Lump Sum	604,244	568,770	35,474	106%	3,711	47,800	(4,789)
Springfield	Lump Sum	505,829	476,656	29,173	106%	1,148	38,969	(6,747)
Benson	LS/Mo. Ben.	455,126	429,194	25,932	106%	14,651	8,509	-
Darfur	Lump Sum	226,310	213,880	12,430	106%	-	9,613	(11,873)
Hoffman	Lump Sum	199,367	188,513	10,854	106%	2,069	15,938	(4,841)
Pine River	Lump Sum	889,416	841,051	48,365	106%	-	65,340	(208)
Marshall	Lump Sum	3,556,274	3,368,375	187,899	106%	-	274,924	1,654
Mahnomen	Lump Sum	481,054	455,732	25,322	106%	2,304	30,824	(7,255)
Alpha	Lump Sum	160,312	152,288	8,024	105%	-	11,888	(5,047)
Mabel	Lump Sum	214,698	204,190	10,508	105%	-	14,504	(7,454)
Canosia	Lump Sum	402,567	382,932	19,635	105%	-	24,552	(10,010)
Elizabeth	Lump Sum	306,243	291,872	14,371	105%	-	14,084	(11,971)
Cannon Falls	Lump Sum	782,910	748,867	34,043	105%	3,459	63,618	(18,897)
Welcome	Lump Sum	369,669	353,612	16,057	105%	-	24,213	(10,964)
Greenbush	Lump Sum	374,399	358,418	15,981	104%	-	26,768	(9,460)
Adams	Lump Sum	270,754	259,569	11,185	104%	-	18,063	(15,237)
Lake Crystal	Lump Sum	754,565	726,640	27,925	104%	-	51,360	(22,235)
Fertile	Lump Sum	451,500	435,854	15,646	104%	2,699	29,856	(6,149)
Finland	Lump Sum	253,848	245,276	8,572	103%	-	13,794	(18,242)
Rollingstone	Lump Sum	95,078	91,880	3,198	103%	2,845	9,160	(5,273)
Lake City	Lump Sum	1,239,519	1,198,019	41,500	103%	-	110,580	(4,408)
Savage	Mo. Benefit/ Lump Sum	6,537,623	6,327,299	210,324	103%	50,091	101,899	10,512
Newport	Lump Sum	905,350	877,555	27,795	103%	21,982	80,604	62,157
Big Lake	Lump Sum	1,653,783	1,603,239	50,544	103%	1,174	121,688	(57,753)
Shafer	Lump Sum	261,990	255,720	6,270	102%	941	24,620	1,066

*Source: Office of the State Auditor

Exhibit A
Financial and Investment Data for Lump Sum and Monthly Plans
For the Year Ended December 31, 2017*

Fire Relief Association Name	Plan Type	Net Assets	Accrued Liability	Surplus or (Deficit)	Percent Funded	Deficit Amort. Payment	Normal Cost	Req'd. Contrib.
Lanesboro	Lump Sum	291,689	285,277	6,412	102%	2,053	31,407	1,658
Pipestone	LS/Mo. Ben.	763,221	748,773	14,448	102%	9,522	52,268	26,724
Askov	Lump Sum	183,363	180,102	3,261	102%	707	16,434	(1,719)
Villard	Lump Sum	432,995	425,503	7,492	102%	5,797	28,580	1,788
Apple Valley	Mo. Benefit/ Lump Sum	7,753,729	7,620,609	133,120	102%	-	232,584	-
Litchfield	Lump Sum	748,369	736,944	11,425	102%	6,195	62,040	(28,294)
Balaton	Lump Sum	223,485	220,343	3,142	101%	1,714	17,010	(8,903)
Audubon	Lump Sum	581,678	575,070	6,608	101%	2,041	46,436	(612)
Sleepy Eye	Lump Sum	1,035,866	1,024,651	11,215	101%	7,202	67,120	(21,980)
North Branch	Lump Sum	1,028,787	1,019,052	9,735	101%	11,414	91,140	(7,553)
Mission	Lump Sum	434,985	432,113	2,872	101%	6,891	42,094	11,120
Staples	Lump Sum	437,937	435,216	2,721	101%	3,124	42,048	(3,011)
New York Mills	Lump Sum	308,493	306,664	1,829	101%	2,911	29,376	(1,594)
Eden Valley	Lump Sum	636,087	632,430	3,657	101%	7,301	39,780	(3,131)
Makinen	Lump Sum	74,045	74,190	(145)	100%	-	6,883	(5,919)
Eden Prairie	Mo. Benefit/ Lump Sum	22,581,934	22,656,956	(75,022)	100%	329,624	545,227	516,468
Rush City	Lump Sum	792,668	798,058	(5,390)	99%	8,359	49,894	(14,842)
Upsala	Lump Sum	148,243	149,421	(1,178)	99%	1,366	13,348	(220)
Sebeka	Lump Sum	331,168	334,048	(2,880)	99%	2,377	30,688	(1,635)
Waterville	Lump Sum	533,190	538,215	(5,025)	99%	4,482	38,988	1,498
Hamburg	Lump Sum	463,012	468,187	(5,175)	99%	5,653	44,046	14,119
North Saint Paul	Lump Sum	1,553,749	1,571,141	(17,392)	99%	17,721	147,368	40,481
Tracy	Lump Sum	483,525	489,358	(5,833)	99%	6,365	45,424	(620)
Appleton	LS/Mo. Ben.	267,584	271,322	(3,738)	99%	-	7,709	-
Braham	Lump Sum	403,566	411,091	(7,525)	98%	2,851	38,886	(5,468)
Chaska	LS/Mo. Ben.	5,810,080	5,919,577	(109,497)	98%	27,082	127,397	13,422
Morton	Lump Sum	247,065	252,054	(4,989)	98%	3,694	17,917	(1,002)
Taconite	Lump Sum	110,558	112,974	(2,416)	98%	1,477	14,130	3,039
Mound	LS/Mo. Ben.	5,556,413	5,706,424	(150,011)	97%	10,259	96,484	1,931
Maple Lake	Lump Sum	1,057,439	1,090,014	(32,575)	97%	15,446	57,204	(18,958)
Gaylord	Lump Sum	570,894	589,495	(18,601)	97%	5,655	37,568	(3,743)
Elysian	Lump Sum	371,520	389,160	(17,640)	95%	12,540	28,680	9,687
Pemberton	Lump Sum	143,274	151,625	(8,351)	94%	1,152	15,795	(1,506)
Danvers	Lump Sum	100,406	106,420	(6,014)	94%	616	10,760	(3,562)
Madelia	Lump Sum	377,945	401,494	(23,549)	94%	5,631	36,750	(459)
Starbuck	Lump Sum	394,396	419,794	(25,398)	94%	7,192	32,265	373
Cokato	Lump Sum	689,767	738,864	(49,097)	93%	15,759	44,800	(1,707)
Hackensack	Lump Sum	977,500	1,047,488	(69,988)	93%	22,749	69,264	22,746

*Source: Office of the State Auditor

Exhibit A
Financial and Investment Data for Lump Sum and Monthly Plans
For the Year Ended December 31, 2017*

Fire Relief Association Name	Plan Type	Net Assets	Accrued Liability	Surplus or (Deficit)	Percent Funded	Deficit Amort. Payment	Normal Cost	Req'd. Contrib.
Belle Plaine	Lump Sum	716,002	768,562	(52,560)	93%	11,123	82,503	7,766
LeRoy	Lump Sum	240,150	260,154	(20,004)	92%	3,521	20,484	92
Eagle Lake	Lump Sum	446,340	484,187	(37,847)	92%	5,088	44,263	7,788
Saint Stephen	Lump Sum	698,323	763,455	(65,132)	91%	16,261	50,011	7,729
Crosby	Lump Sum	537,384	589,221	(51,837)	91%	24,849	56,718	34,409
Rockville	Lump Sum	490,148	541,861	(51,713)	90%	15,214	41,340	16,163
Kensington	Lump Sum	249,478	277,075	(27,597)	90%	3,214	20,383	(2,985)
Lake Wilson	Lump Sum	113,542	126,660	(13,118)	90%	1,689	13,152	(47)
New Prague	Lump Sum	929,293	1,039,371	(110,078)	89%	14,944	102,150	(10,533)
Fairmont	LS/Mo. Ben.	1,494,595	1,681,084	(186,489)	89%	73,046	64,342	41,762
Eagle Bend	Lump Sum	374,169	424,896	(50,727)	88%	8,372	28,680	3,236
Vergas	Lump Sum	312,978	361,381	(48,403)	87%	6,937	28,464	(913)
Hendricks	Lump Sum	311,496	365,328	(53,832)	85%	12,686	26,418	10,632
Wabasha	Lump Sum	352,171	414,928	(62,757)	85%	8,251	39,424	8,242
Clarissa	Lump Sum	201,904	239,992	(38,088)	84%	8,918	18,240	4,306
Cologne	Lump Sum	666,872	795,757	(128,885)	84%	24,440	49,063	21,819
Miltona	Lump Sum	254,490	310,994	(56,504)	82%	6,182	32,968	12,805
Slayton	Lump Sum	619,401	765,488	(146,087)	81%	26,137	53,460	22,336
Sanborn	Lump Sum	119,798	149,088	(29,290)	80%	2,904	15,856	1,977
Currie	Lump Sum	146,914	183,328	(36,414)	80%	4,708	16,080	1,307
Cuyuna	Lump Sum	174,711	225,499	(50,788)	77%	7,413	21,648	12,609
Hutchinson	Mo. Benefit	2,322,146	3,006,737	(684,591)	77%	123,231	47,816	81,375
Chanhassen	LS/Mo. Ben.	2,246,599	2,911,520	(664,921)	77%	65,867	143,922	94,287
Butterfield	Lump Sum	201,355	269,583	(68,228)	75%	10,791	19,422	6,376
Emily	Lump Sum	178,439	282,570	(104,131)	63%	12,512	31,620	26,796

Exhibit B
Fire Chief Survey Respondents

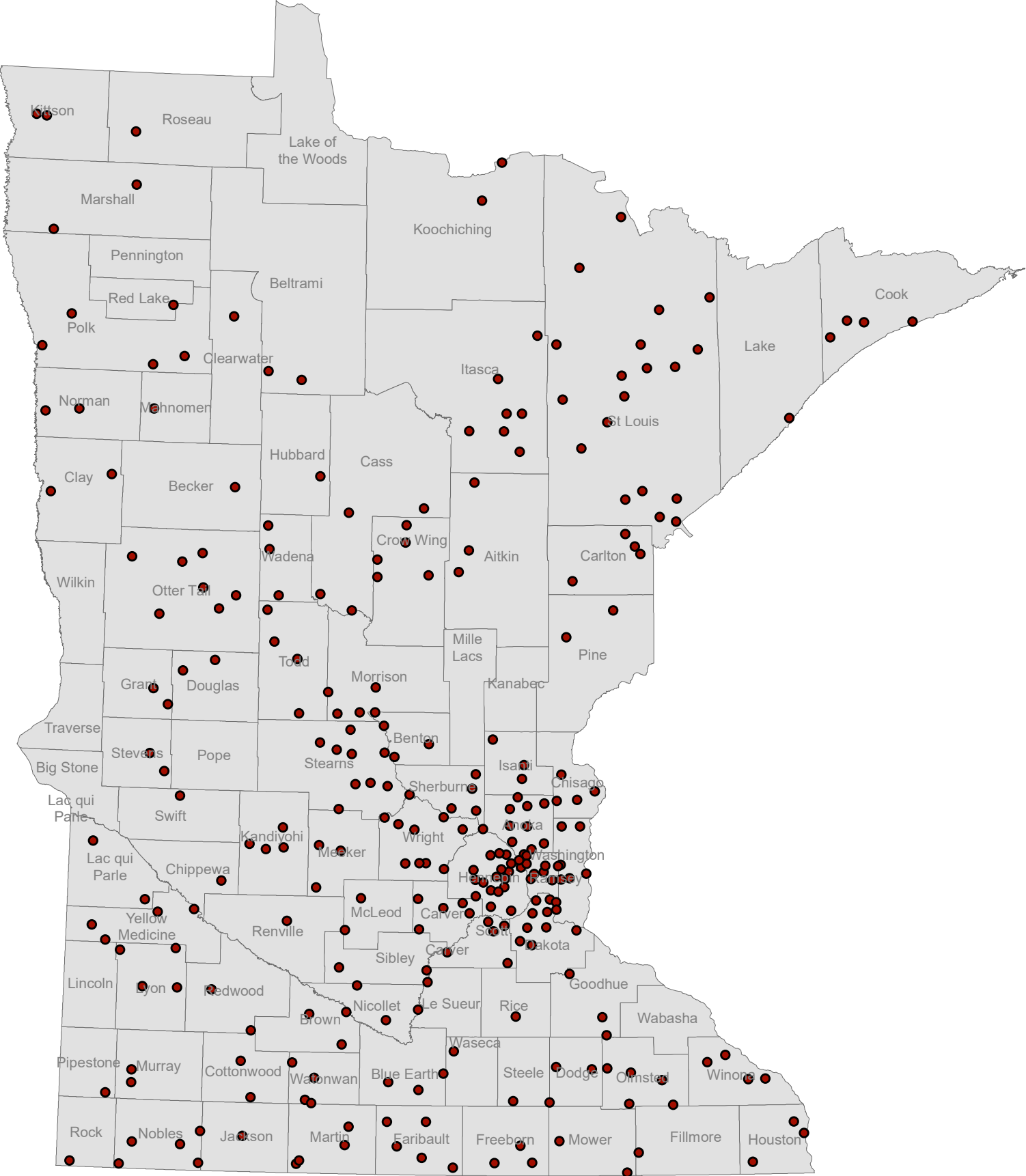


Exhibit C

Work Group on Relief Association Conversions and Dissolutions

Fire Chief Survey

OCTOBER 3, 2018



Survey Information

- Survey Period: September 20 to October 1, 2018
- Sent to approximately 775 Fire Chiefs
- 293 Total Responses (37.8%)
 - *For comparison, a typical internal survey (i.e., a company's employees) averages a 30-40% response rate, while an external survey (i.e., surveying customers) averages a 10-15% response rate**
- 279 Complete Responses

* www.surveygizmo.com

Survey Questions

THE SURVEY CONTAINED A TOTAL OF 23 QUESTIONS.

DEPENDING ON THE ANSWER TO A SPECIFIC QUESTION, A RESPONDENT MAY NOT HAVE BEEN ASKED TO ANSWER ALL OF THE QUESTIONS.

Survey Questions

1. What is the name of the fire department you work for?
2. What is your position/title in the department?
 - ☐ Fire Chief
 - ☐ Assistant/Deputy Fire Chief
 - ☐ Other (please specify)
3. List the cities and/or townships with which the fire department is affiliated.
4. What is the size of the geographic area served by the fire department?
 - ☐ Less than 2 square miles
 - ☐ 2 to 9 square miles
 - ☐ 10 to 19 square miles
 - ☐ 20 to 29 square miles
 - ☐ 30 to 39 square miles
 - ☐ 40 to 49 square miles
 - ☐ 50 square miles or more
5. What is the approximate number of residents served by the fire department?
 - ☐ Under 100
 - ☐ 100 to 499
 - ☐ 500 to 999
 - ☐ 1,000 to 4,999
 - ☐ 5,000 to 9,999
 - ☐ 10,000 to 24,999
 - ☐ 25,000 to 49,999
 - ☐ 50,000 to 99,999
 - ☐ 100,000 to 249,999
 - ☐ 250,000 or more
6. Does the fire department have non-career firefighters? "Non-career" firefighters are sometimes referred to as "volunteer" or "paid on-call" firefighters.
 - ☐ Yes
 - ☐ No
7. Approximately how many non-career firefighters does the department have? Enter as a whole number.

Survey Questions

8. Does the fire department also have career firefighters? "Career" firefighters are sometimes referred to as "salaried" firefighters.
☐ Yes ☐ No
9. Approximately how many career firefighters does the department have? Enter as a whole number.
10. Do the non-career firefighters receive any compensation?
☐ Yes ☐ No, they receive no compensation other than reimbursement for expenses, if any
11. Are any of the non-career firefighters paid on an hourly basis?
☐ Yes ☐ No
12. What is the hourly rate? Round to the nearest whole dollar amount and enter a number only with no dollar sign.
13. Are any of the non-career firefighters paid on a per-call basis?
14. What is the per-call rate? Round to the nearest whole dollar amount and enter a number only with no dollar sign.
15. Retirement benefits are provided to the non-career firefighters through which retirement plan?
☐ an affiliated Volunteer Firefighter Relief Association Plan ☐ the PERA Statewide Volunteer Firefighter Plan
16. Does the department also have firefighters covered by the PERA Police and Fire Plan?
☐ Yes ☐ No

Survey Questions

17. Over the last year or two, has the city council or township board (or, if applicable, the board of a joint powers entity or independent nonprofit firefighting corporation) considered any of the following options? Check all that apply.
- ☐ Adding more career firefighters
 - ☐ Increasing the per-hour or per-call rate for non-career firefighters
 - ☐ I don't know
 - ☐ Reducing the reliance on non-career firefighters
 - ☐ None of the above
 - ☐ Any other changes similar to any of the above? Please describe:
18. Is the retirement plan covering non-career firefighters a defined benefit plan or a defined contribution plan?
- ☐ **A defined benefit plan**, also known as a lump sum or monthly service pension, where the benefit is based on years of service and the approved lump sum or monthly amount.
 - ☐ **A defined contribution plan**, also known as a "split-the-pie" plan, where the benefit is based on contributions to an account and the investment earnings on that account.
19. Has the relief association board of trustees considered converting the relief association retirement plan from a defined benefit plan to a defined contribution plan?
- ☐ Yes
 - ☐ No
 - ☐ I don't know
20. Please comment on the status of these discussions and the reason conversion is being considered:
21. Are you a member of the volunteer firefighter relief association with which the fire department is affiliated?
- ☐ Yes
 - ☐ No
22. From which retirement plan(s) will you receive a retirement benefit? Check all that apply.
- ☐ The PERA Police & Fire Plan
 - ☐ a Volunteer Firefighter Relief Association Plan
 - ☐ the PERA Statewide Volunteer Firefighter Plan
23. Please identify yourself and provide your contact information. *(optional)*
- ☐ Name
 - ☐ Email address
 - ☐ Phone number

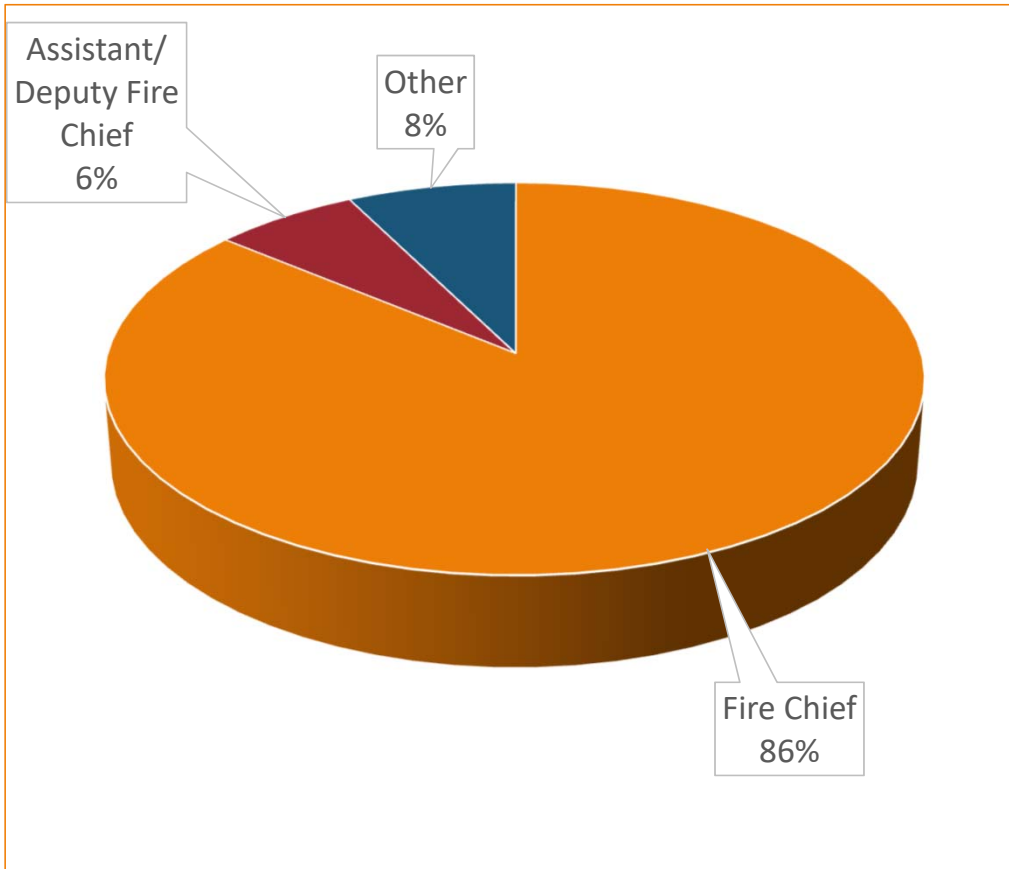
Survey Response Data

RESPONSES TO THE QUESTIONS

Q1 What is the name of the fire department you work for?

293 responses *(a response was required for this question)*

Q2 What is your position/title in the department?

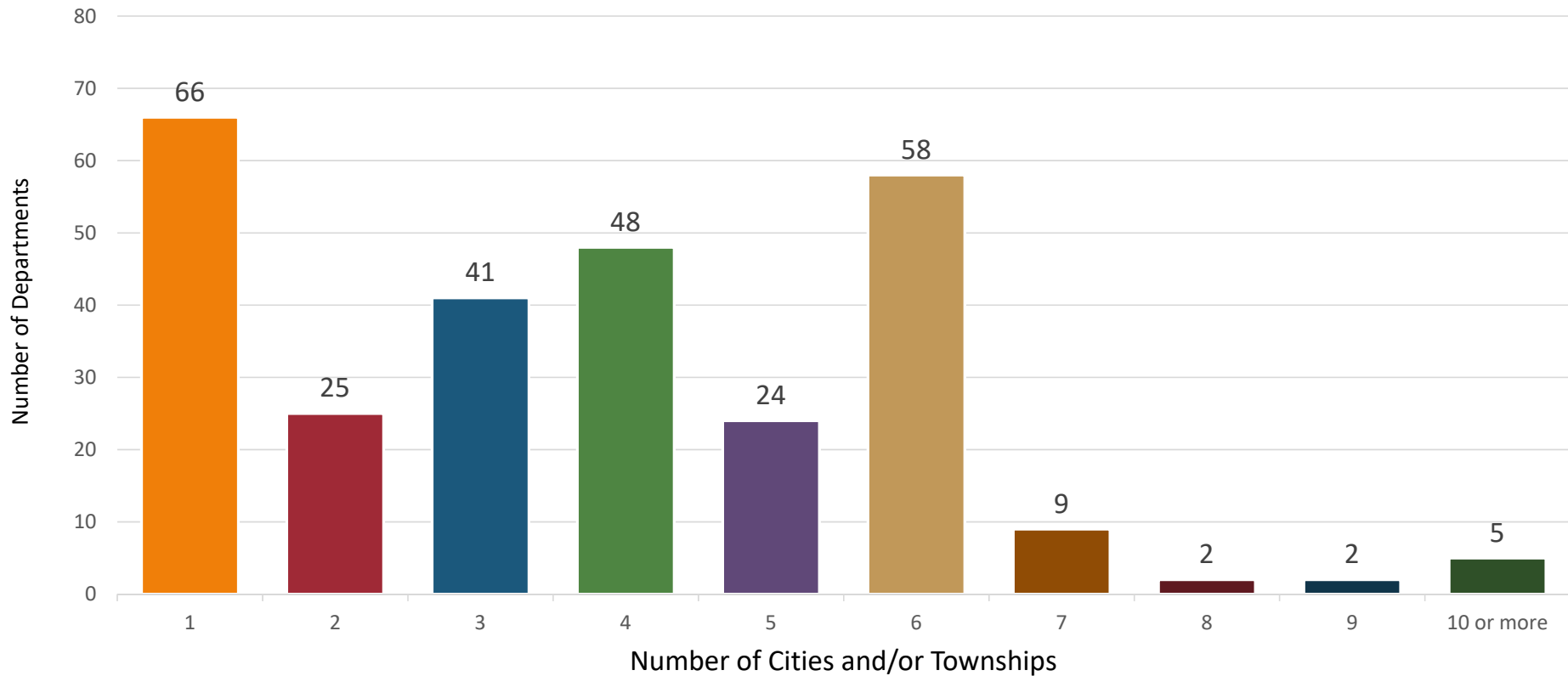


Respondents' text entries for "Other"

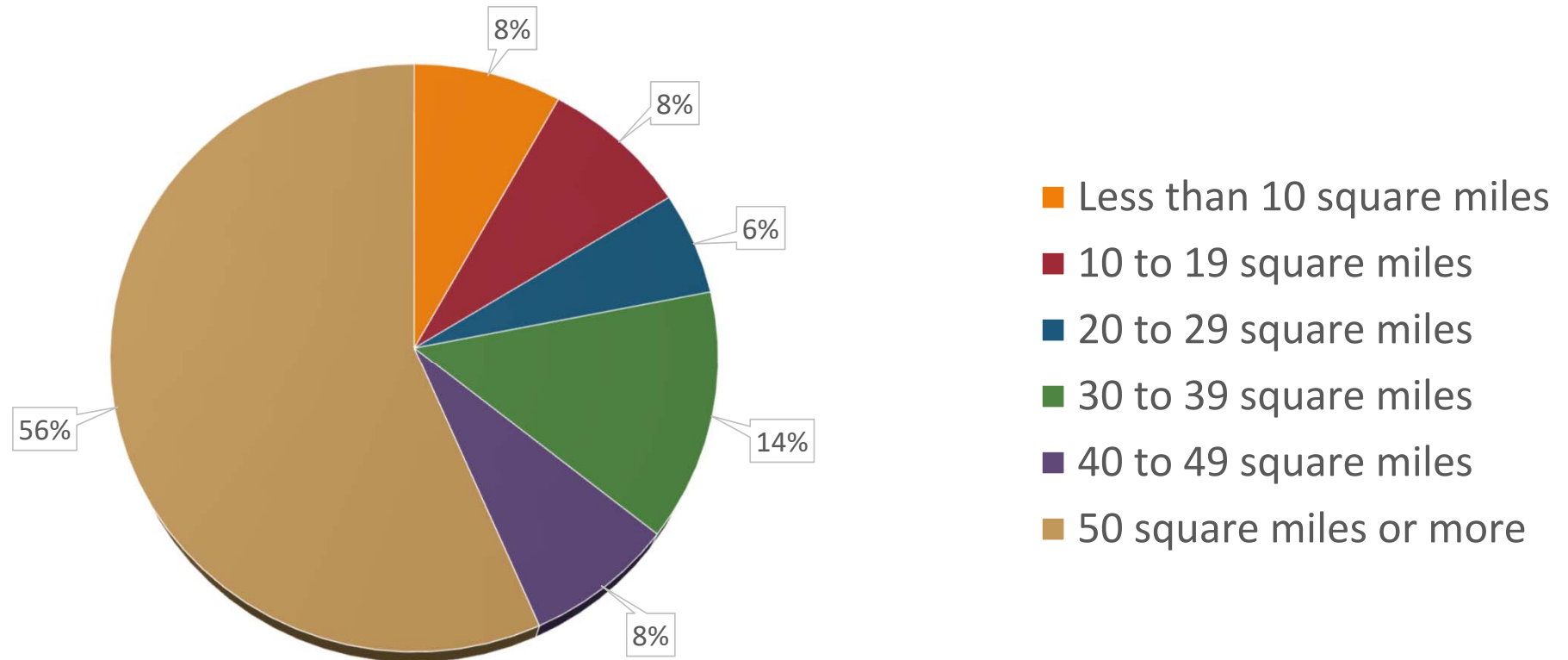
- *Secretary (4)*
- *Training Officer (3)*
- *Treasurer (3)*
- *Firefighter (2)*
- *Retired (2)*
- *Acting Fire Chief*
- *Admin*
- *Board chair, training officer*
- *Captain*
- *Deputy Director of Public Safety Fire Division*
- *Firefighter, relief president*
- *Officer*
- *Trustee, Former Fire Chief*

Q3 List the cities and/or townships with which the fire department is affiliated.

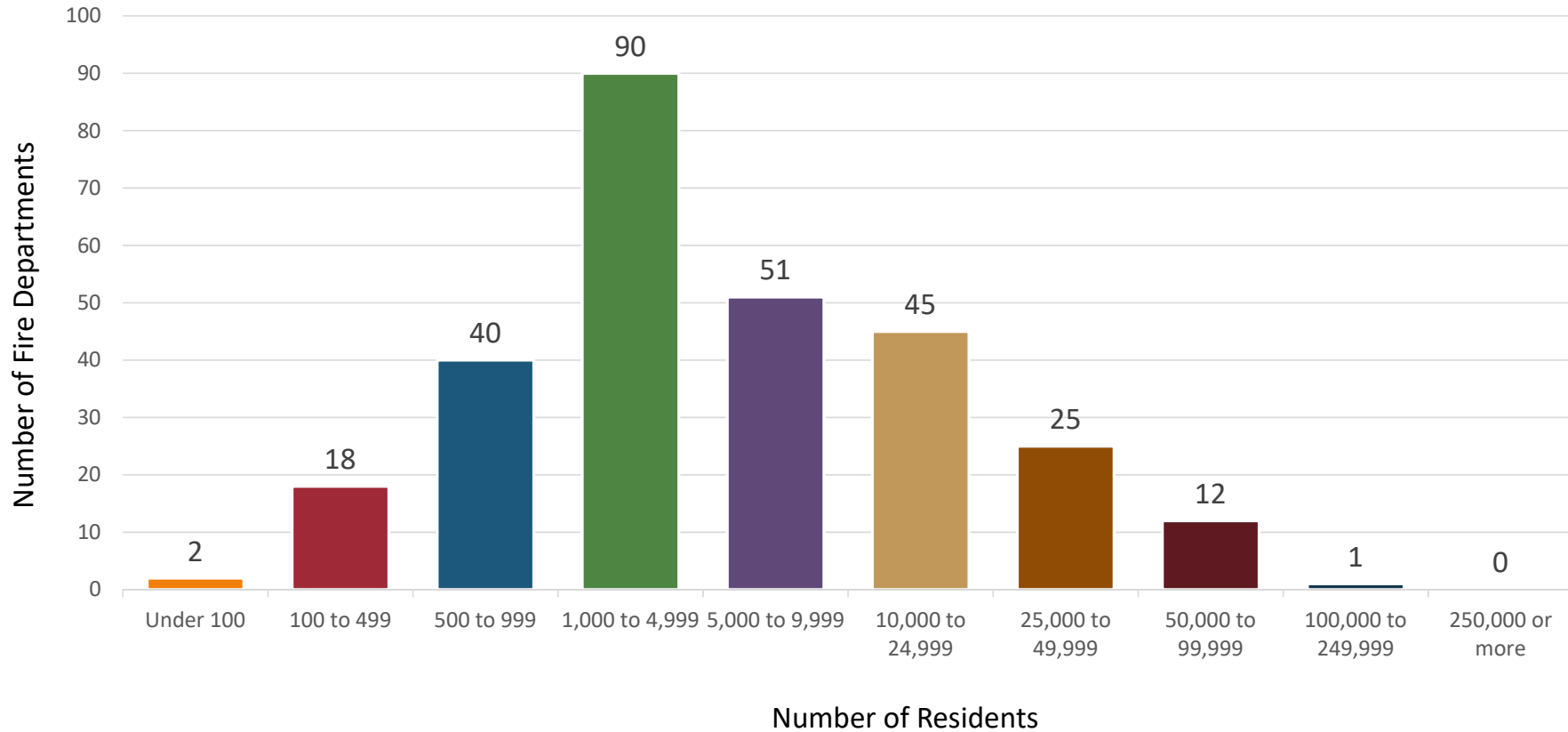
Number of Cities and/or Townships per Department



Q4 What is the size of the geographic area served by the fire department?



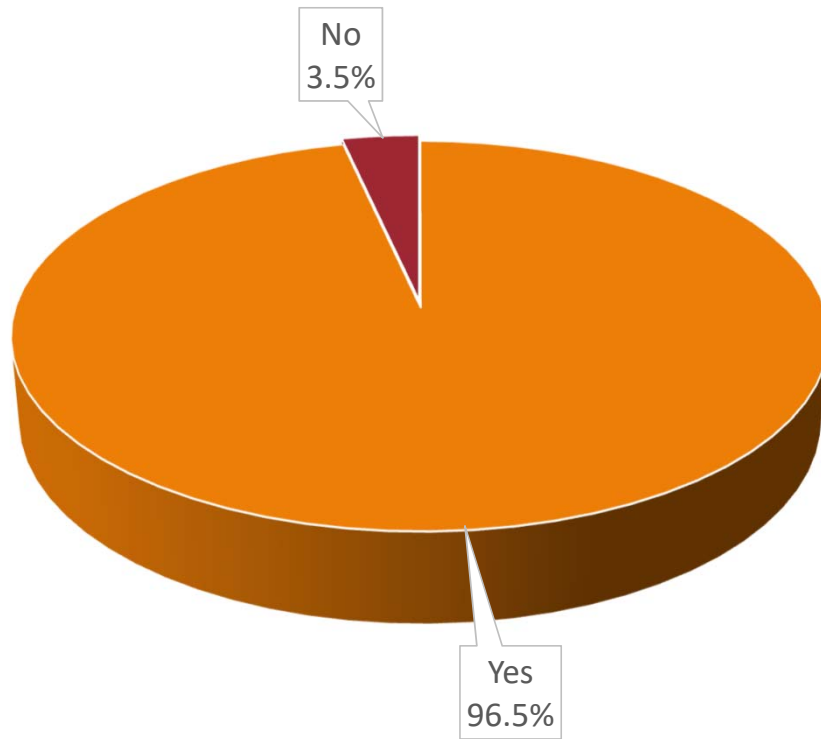
Q5 What is the approximate number of residents served by the fire department?



Career and/or Non-Career Firefighters and Compensation

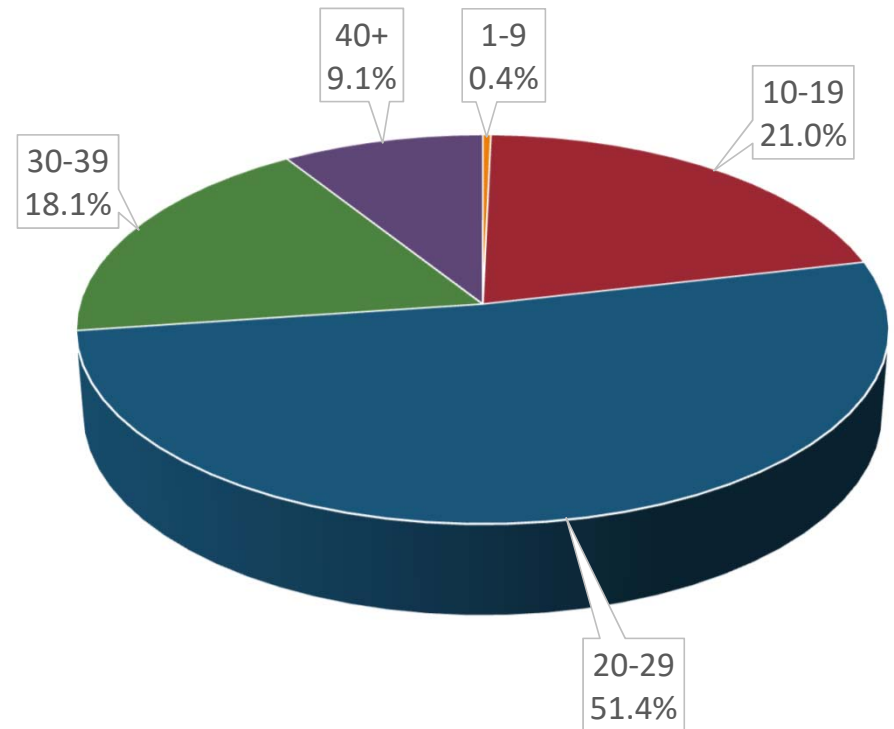
IF THE FIRE DEPARTMENT DOES NOT HAVE ANY NON-CAREER
FIREFIGHTERS, THEY SKIPPED TO THE END OF THE SURVEY

Q6 Does the fire department have non-career firefighters?

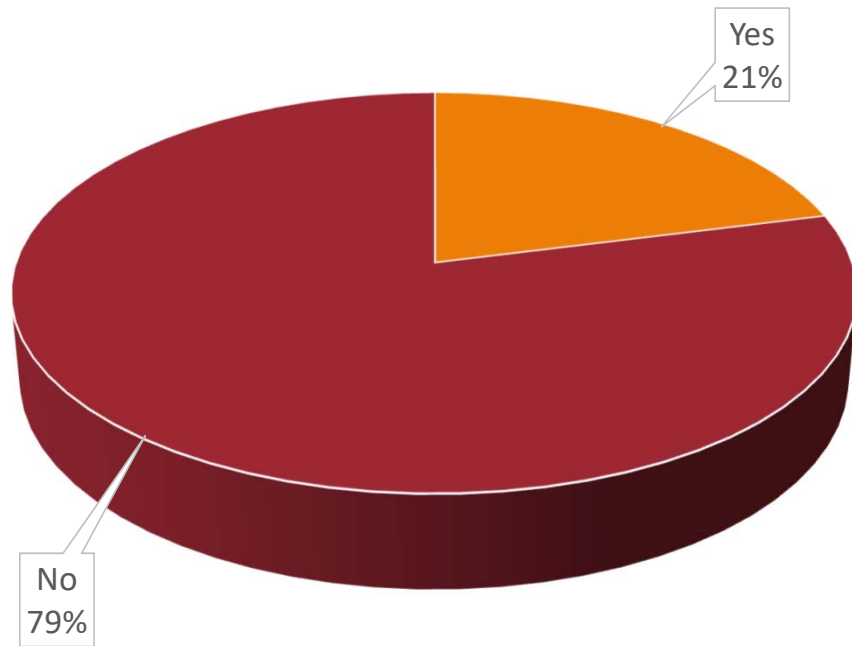


- "Non-career" firefighters are sometimes referred to as "volunteer" or "paid on-call" firefighters.
- All respondents answering "No" skipped to Question 21 at the end of the survey

Q7 Approximately how many?

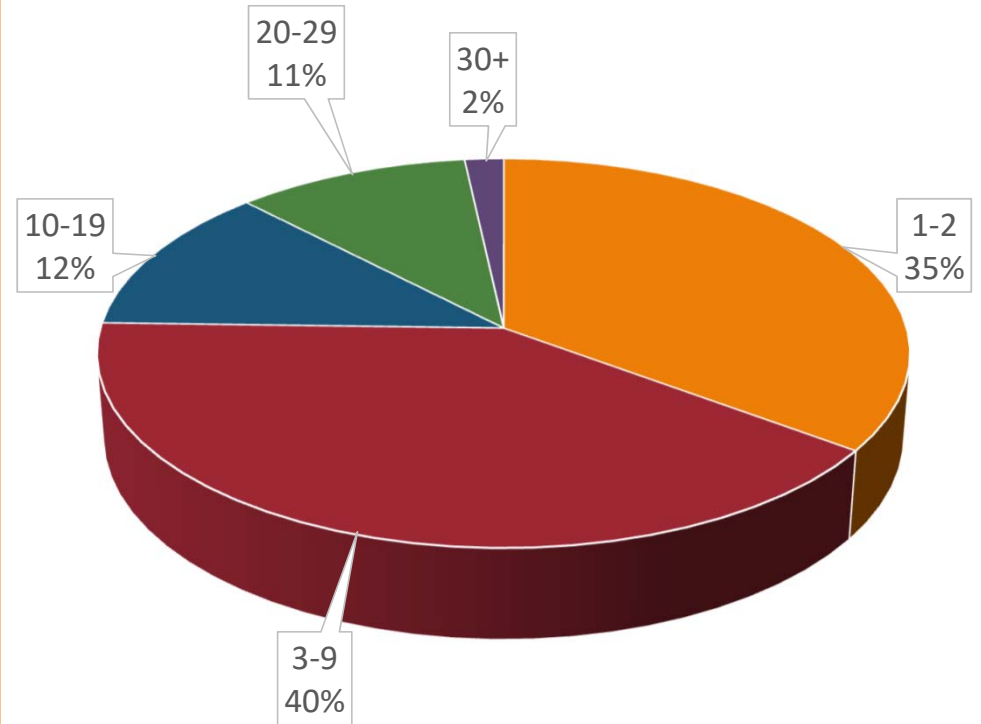


Q8 Does the fire department also have career firefighters?

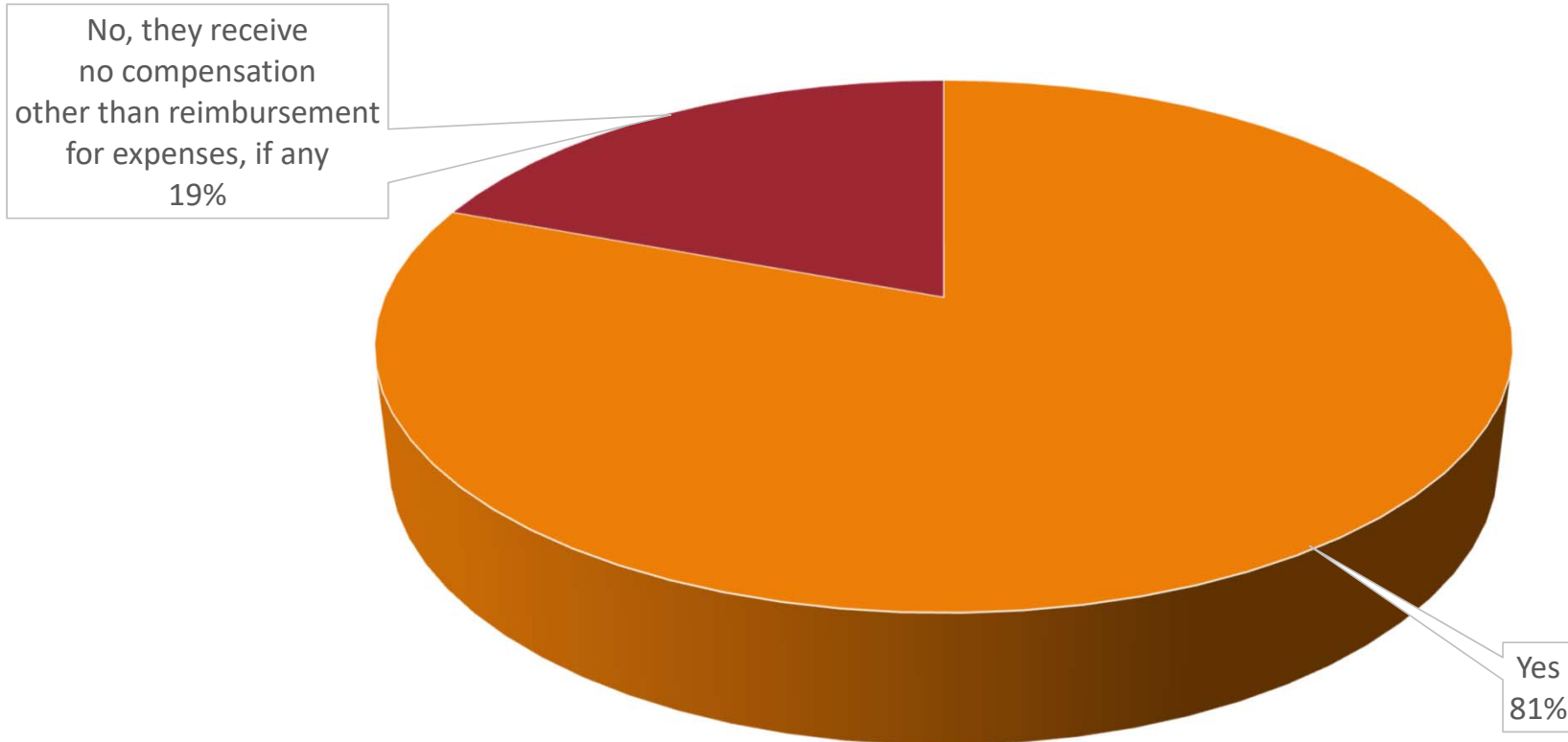


- "Career" firefighters are sometimes referred to as "salaried" firefighters.

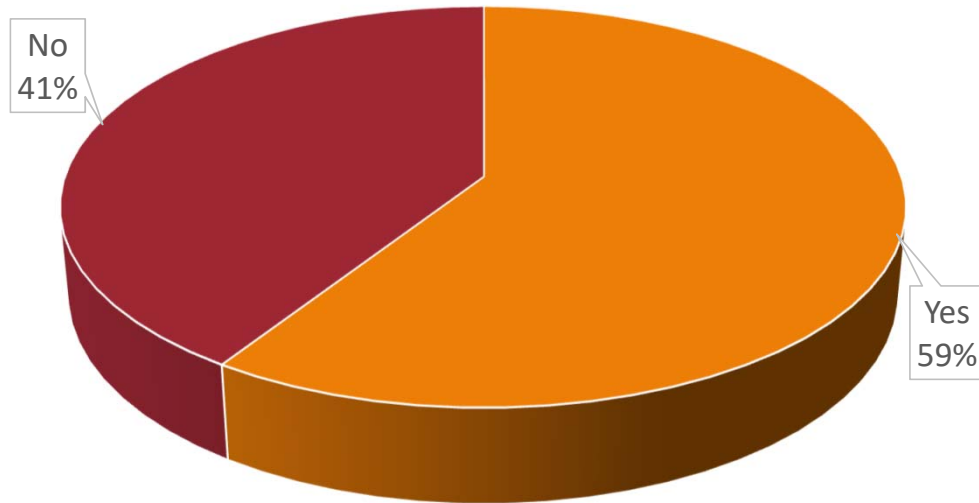
Q9 Approximately how many?



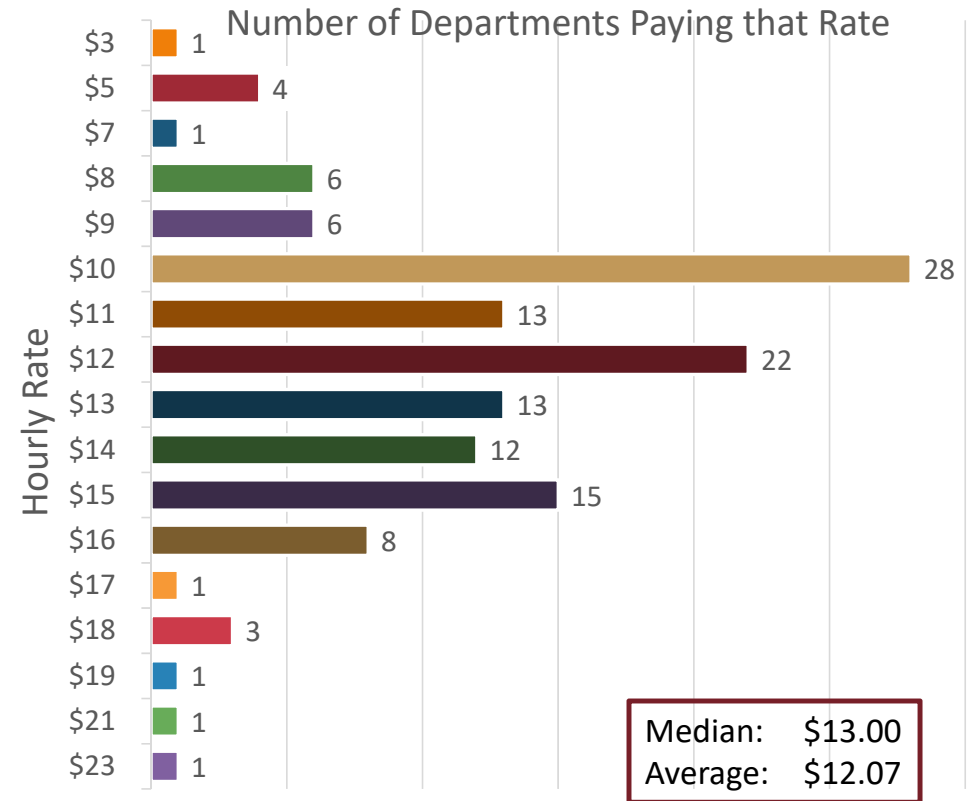
Q10 Do the non-career firefighters receive any compensation?



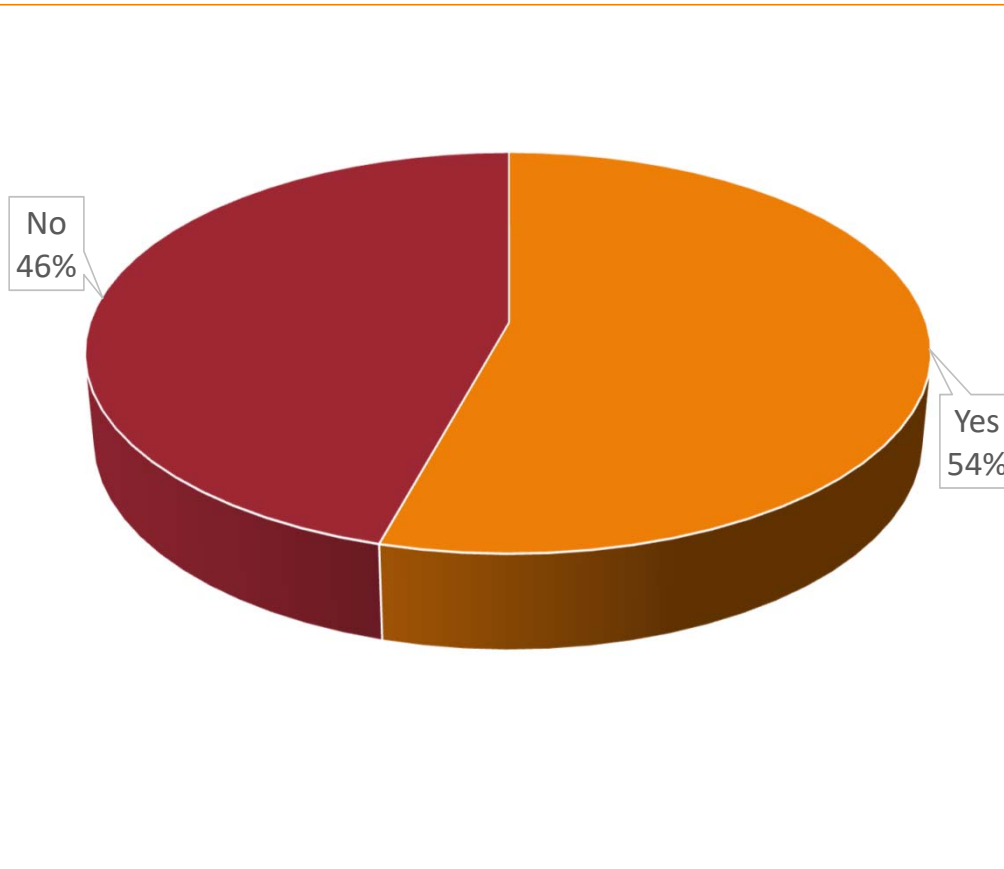
Q11 Are any of the non-career firefighters paid on an hourly basis?



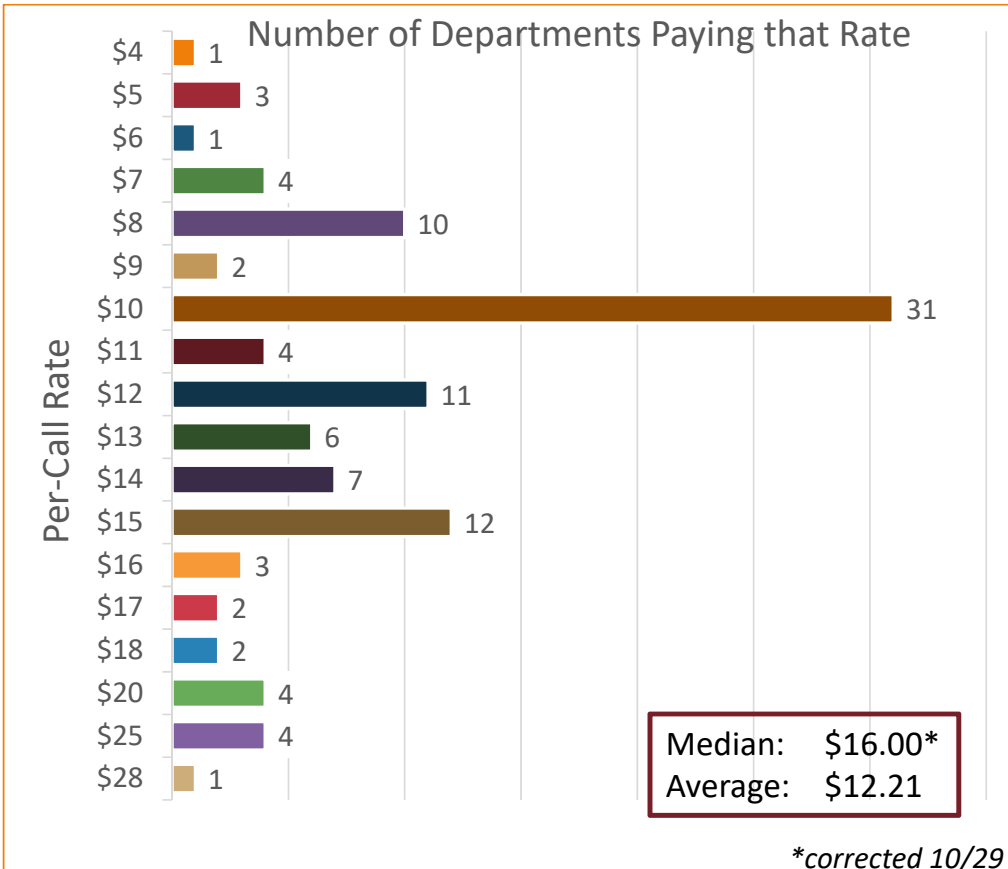
Q12 What is the hourly rate? Round to the nearest whole dollar amount.



Q11 Are any of the non-career fire-fighters paid on a per-call basis?



Q12 What is the per-call rate? Round to the nearest whole dollar amount.

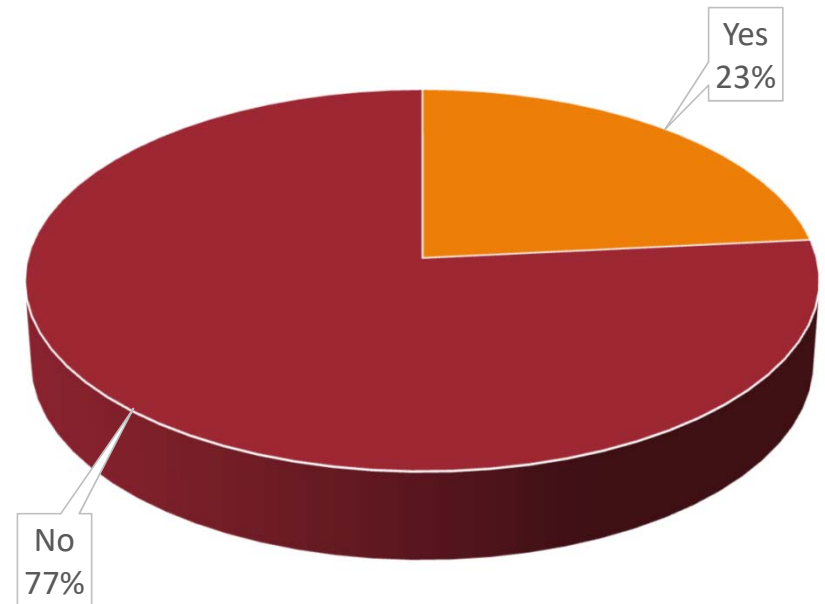
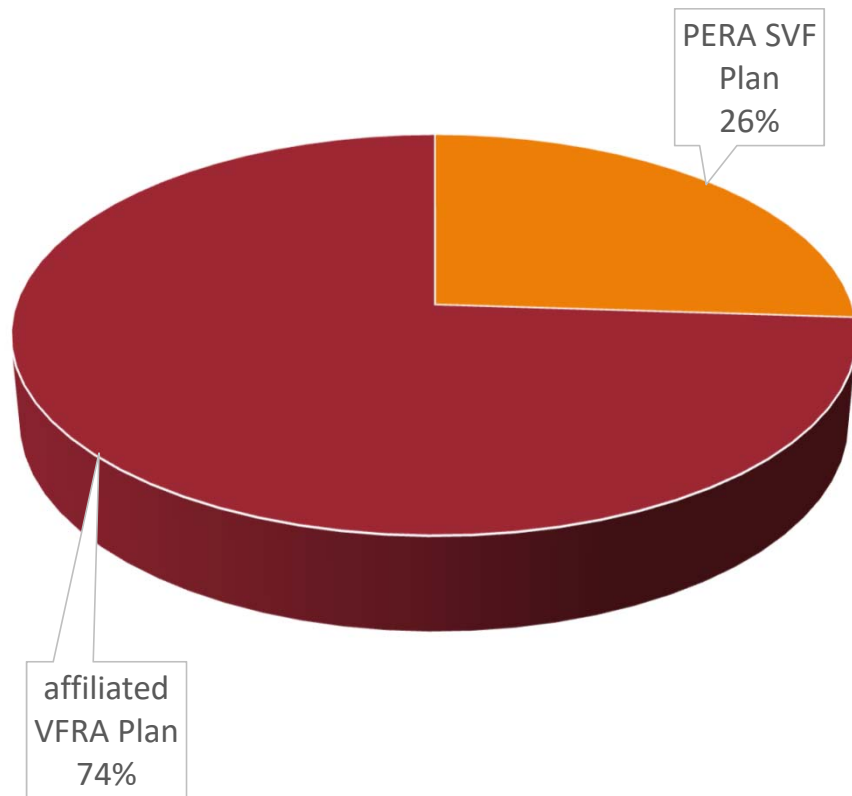


Q12-14 Respondents' text responses

- *\$14 fire, \$23 to \$45 ambulance [per call rate]*
- *We do not pay by the hour. Our firefighters and officers earn points and at the end of a quarter the points transfer to a dollar amount. The dollar amount changes every quarter depending how busy we are.*
- *[Compensation is] Based on points over a 12 month period*
- *\$8 answered and \$10 per hour worked*

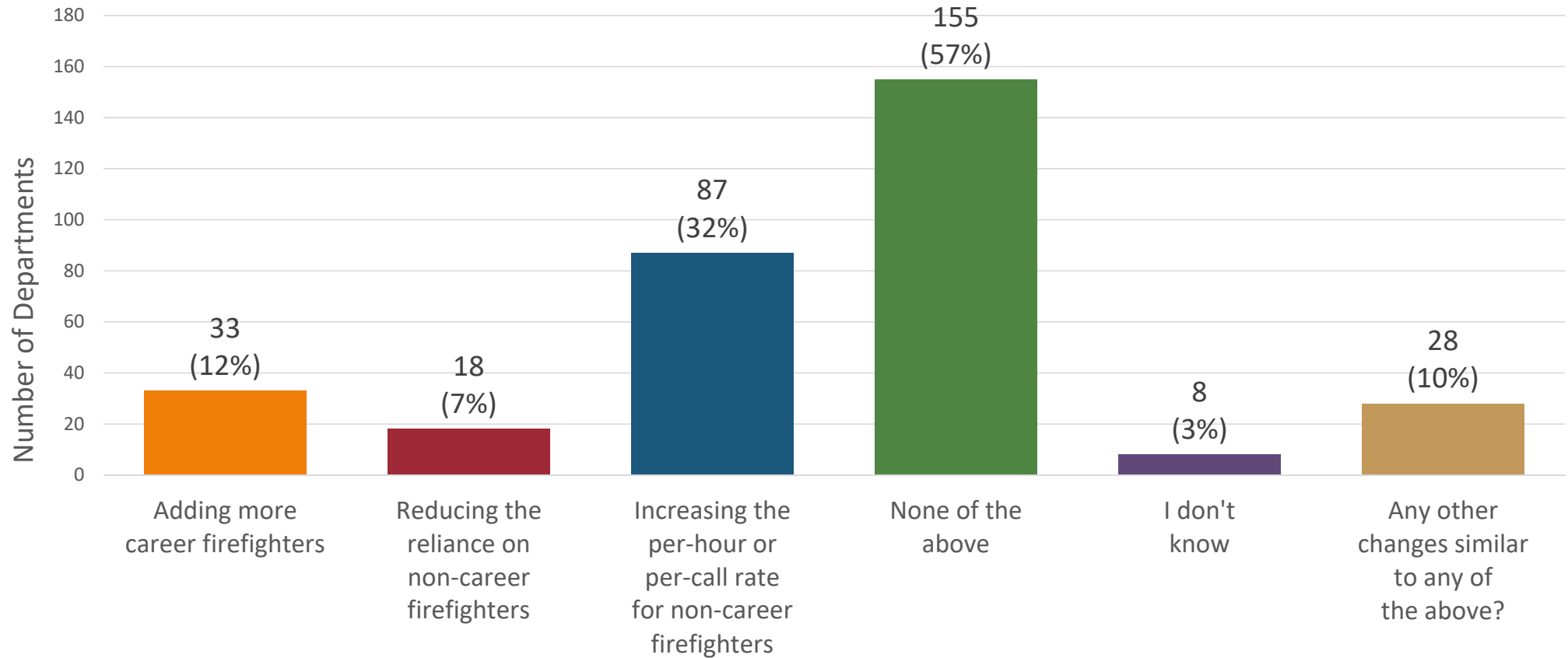
Q15 Retirement benefits are provided to the non-career firefighters through which retirement plan?

Q16 Does the department also have firefighters covered by the PERA Police & Fire Plan?



Governing Entity Consideration of Fire Department Options

Q17 Over the last year or two, has the city council or township board (or, if applicable, the board of a joint powers entity or independent nonprofit firefighting corporation) considered any of the following options? Check all that apply.



Q17 Respondents' text entries for "Any other changes similar to any of the above? Please describe:"

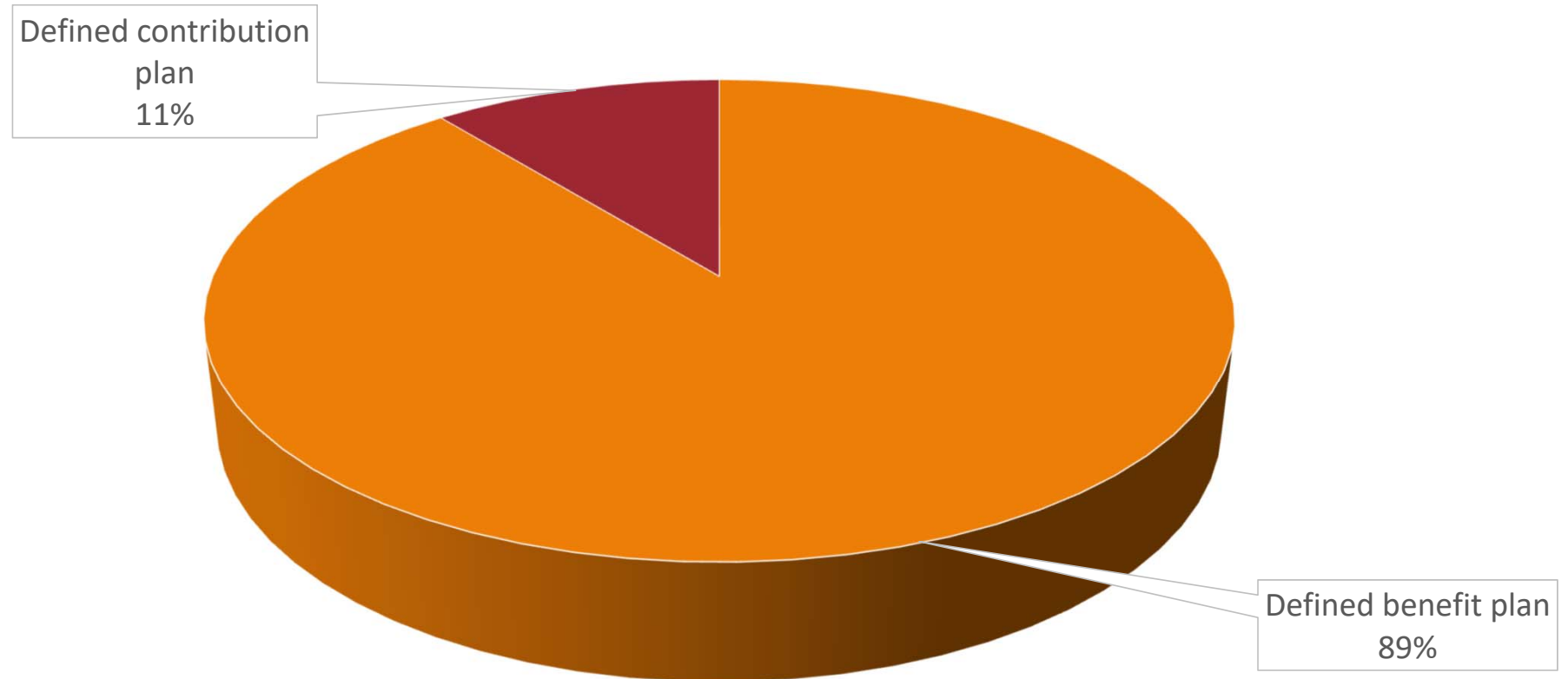
- *We are an Independent fire department, contracted by our township. We have tried several things to get new members to join but the younger generation is not as willing to join and donate time to volunteering as they were in the past. More families are involved in their children's sports, which is great for the family unit, but not so much for volunteer programs. We do not receive pay or compensation of any kind we are truly Volunteer. We are only guaranteed our retirement.*
- *Our department which is a non-profit fire corporation just within the last 3 years signed up for the PERA program. We would like to be able to offer our members more reimbursement, whether it be for mileage, or meeting and training time, however our budget is so minuscule that its not anymore of a wish at this time. We need our township contracts to keep up with the increased costs of firefighting and the training demands to be relaxed!*
- *Increased Statewide Volunteer Firefighter (SVF) Retirement Plan benefit to \$3000 / year of service from \$2500 / year of service*
- *Raising the annual relief association amount that is paid out per year of service*
- *Raised PERA pension*
- *Looked at adding 2-4 more volunteer firefighter personnel. We are also getting to be a big enough city that it would be beneficial with a full time Fire Chief.*
- *We Get Yearly Raises s*
- *Recently increased the start pay from 9.25 to 12 per hour.*
- *Joint duty crew with some of the surrounding fire departments for day time calls during the week.*
- *Switched to a different staffing model which puts non-career on shifts.*
- *We are proposing adding more career staff, however it has not reached the council as of yet for discussion.*
- *Cost of Living Increase*
- *Two years ago the [City] approved to add a \$10/call and \$10/training payout for firefighters. Prior to 2016 firefighters only received a pension.*
- *Joined two fire departments to make one.*

Q17 Respondents' text entries for "Any other changes similar to any of the above? Please describe:"

- *We would like to increase the number of duty crew positions but need the city to increase our contract amount for this.*
- *Hoping to get a relief association or PERA benefit established??*
- *Asked us to look at options to increase retention and recruitment. Paid on Call, Shared Services, Fire District.*
- *We are reviewing the need for staff to cover Monday through Friday 07:00 until 17:00. This is the time period the majority of our firefighting force is out of the community working.*
- *Increasing benefits to non-career firefighters to aid in recruitment and retainment.*
- *No more career firefighters to be added. Paid-on-call firefighters receive annual raises based on non union full time employees. i.e. non union gets a 2 percent pay increase, paid-on-call firefighters get a 2 percent raise. This annual increase includes a same percentage increase in the fire relief pension association.*
- *This has been discussed in order to meet the needs of the community. However at this time we still maintain a paid-on-call organization. However as the availability of firefighters continues to dwindle this will need to be revisited.*
- *Also increased city contribution to the firefighters pension. The City contributes \$1000 per Firefighter.*
- *Typically the city council will raise the hourly pay rate for the firefighters by the same percentage that they give to full time city staff as a COLA adjustment. This averages around 3% per year.*
- *Pay raise for Officer's whom receive a check every 6 months Pay raise for the fire fighters whom receive a yearly check of approx. \$250.00 per year, not based on hourly or calls made*
- *Started a Monday through Friday, 9 to 5, voluntary duty crew program.*
- *Restrict hiring of non-career firefighters due to budget constraints and pension obligation impacts*
- *Added part time chief. Up to 24 hours per week*
- *There is talk of joining [two] Departments at some time.*

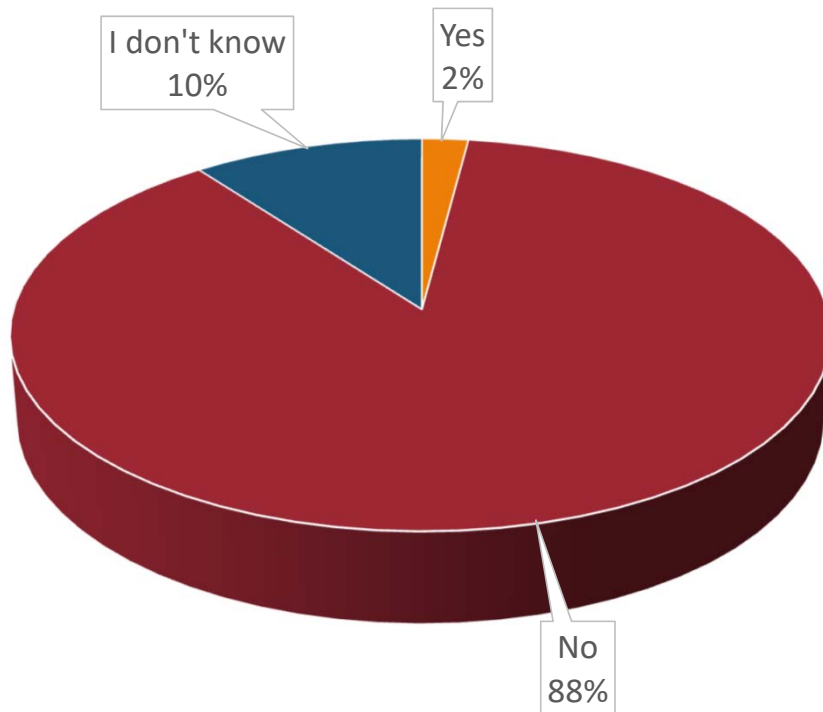
Defined Benefit or Defined Contribution and Conversion Discussions?

Q18 Is the retirement plan covering non-career firefighters a defined benefit plan or a defined contribution plan?



- Respondents answering “Defined contribution plan” were not asked Question 19

Q19 Has the relief association board of trustees considered converting the relief association retirement plan from a defined benefit plan to a defined contribution plan?



▪ This question was asked only of those respondents answering “Defined benefit plan” to Question 18

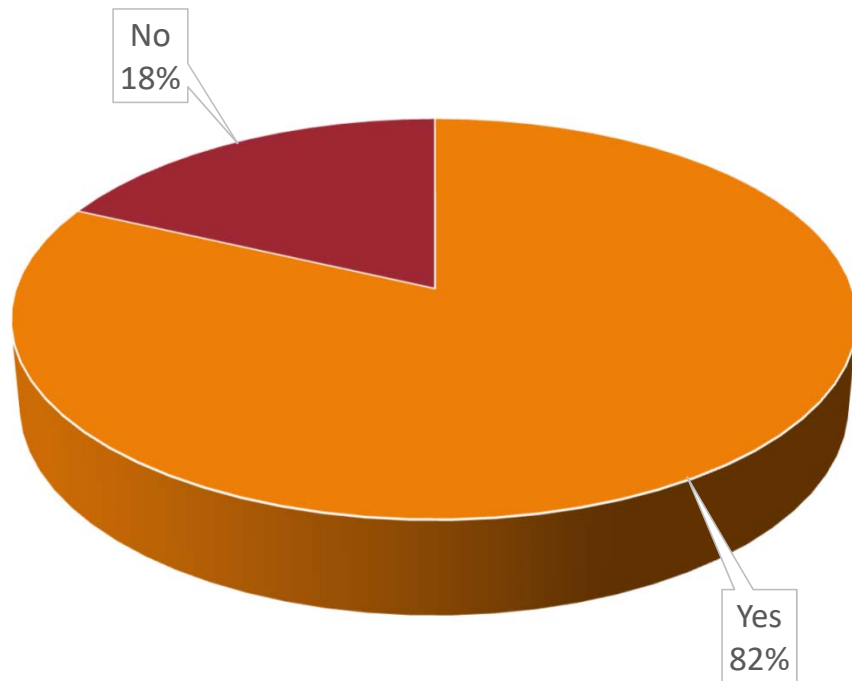
Q20 Please comment on the status of these discussions and the reason conversion is being considered:

- *Already converted to PERA*
- *Last we checked we were locked in the current plan and were not allowed to change.*
- *To my knowledge I believe it is being considered to eliminate the need to request support from the city council for pension increases.*
- *Topic of discussion, not looking to convert at this time. Brainstorming.*

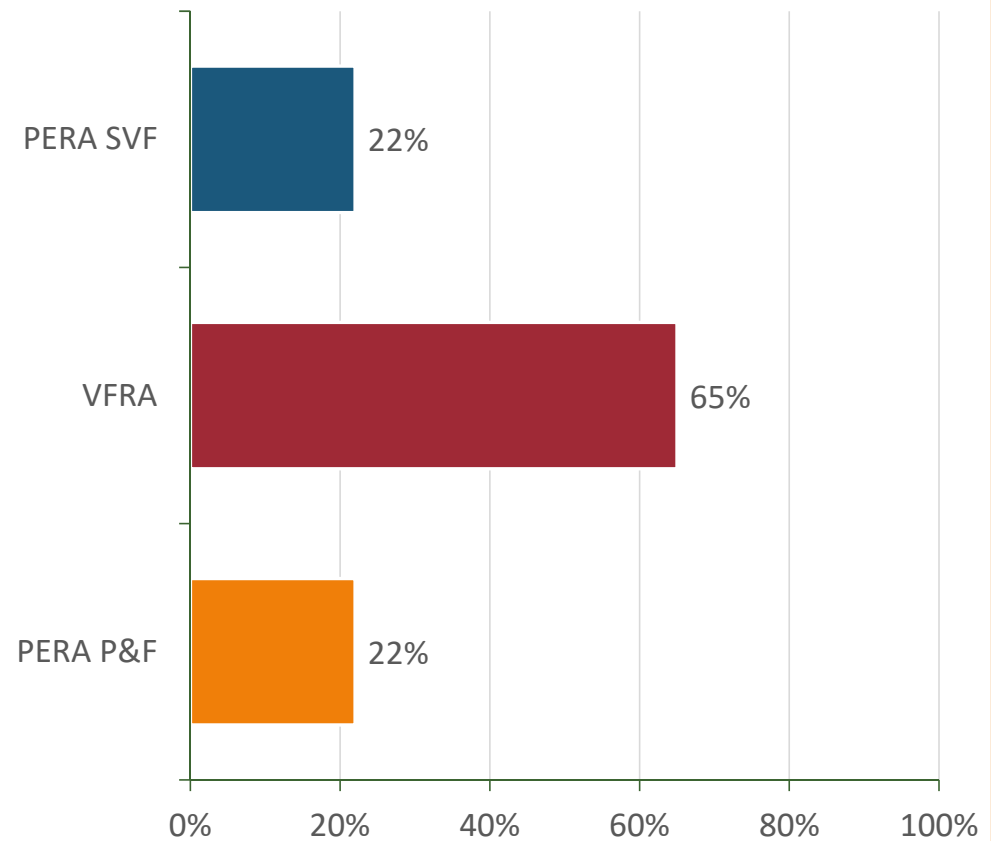
Demographic Information

ALL RESPONDENTS WERE ASKED THESE QUESTIONS

Q21 Are you a member of the volunteer firefighter relief association with which the fire department is affiliated?



Q22 From which retirement plan(s) will you receive a retirement benefit? Check all that apply.



Q23 Please identify yourself and provide your contact information.

- 270 respondents provided their **name**
- 267 respondents provided their **email address**
- 264 respondents provided their **phone number**
- **Only 23** respondents provided no contact information