

not be subject to any statutory or charter limitation on the rate or the amount.

Sec. 9. SAVINGS PROVISION FOR CERTAIN MEMBERS. Any member of the relief association who has at least 20 years of service credited by the relief association on the effective date of the act, who has future pension coverage transferred to the public employees police and fire fund pursuant to section 1, and who has made the purchase of prior service pursuant to section 2 shall be entitled to a minimum service pension from the public employees police and fire fund when otherwise entitled to retire and commence receipt of a service pension in an amount equal to one half of the member's annual rate of salary in effect on the earlier of the effective date of this act or June 30, 1978.

Sec. 10. EFFECTIVE DATE. This act is effective upon approval by the Thief River Falls city council and upon compliance with Minnesota Statutes, Section 645.021.

Approved March 28, 1978.

CHAPTER 690-H.F.No.2332

[Coded in Part]

An act relating to retirement; local police, salaried firefighters and volunteer firefighters relief associations; specifying allowable administrative expenses; purchase of prior service for certain firefighter in the city of St. Cloud; amending Minnesota Statutes 1976, Sections 69.40; 423.32; 423.38; 423.51; 423.808; 424.16; and 424.31; and Laws 1974, Chapter 382, Section 4, Subdivision 3.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. Minnesota Statutes 1976, Section 69.40, is amended to read:

69.40 PAYMENTS. The amount so paid to a relief association by the state and each city under the provisions of sections 69.25 to 69.53, and by it set aside and deposited as a special fund, shall be appropriated and disbursed by the association for the following purposes:

(1) For the relief of sick, injured and disabled members of the relief association, their surviving spouses and orphans; and

(2) For the payment of disability and service pensions to members of the relief association; and

(3) For the expenses of such association as authorized by the board of trustees of any such association of any city now or hereafter having 75,000 inhabitants or more and less than 150,000 inhabitants; and

(4) For the administrative expenses of the association directly related to the operation of the fund including necessary travel, as authorized by the board of trustees of

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the association of any city now or hereafter having 400,000 or more inhabitants payment of the administrative expenses of the association as authorized pursuant to section 8 of this act.

Sec. 2. Minnesota Statutes 1976, Section 423.32, is amended to read:

423.32 EXPENSES. ~~Actual expenses in connection with the making of investments may be paid from the fund upon authorization by the board of directors, but no salaries or fees shall be paid to any officer or agent therefrom~~ Administrative expenses of the association as authorized pursuant to section 8 of this act may be paid from the special fund of the association.

Sec. 3. Minnesota Statutes 1976, Section 423.38, is amended to read:

423.38 PURPOSES FOR WHICH EXPENDITURES MAY BE MADE. All moneys received by such relief association and deposited by it in its special fund shall be appropriated and disbursed by each such association only for the following purposes:

(a) ~~For the relief of sick, injured and disabled members of the association, their widows and orphans.~~

(b) For the payment of disability and service pensions to members of such relief associations.

(c) ~~For the payment of salaries and expenses of its officers and employees, and the expense of operating and maintaining such relief association; including the premiums on the official bonds of its officers and employees~~ administrative expenses of the association as authorized pursuant to section 8 of this act.

Sec. 4. Minnesota Statutes 1976, Section 423.51, is amended to read:

423.51 DISBURSEMENT FROM SPECIAL FUND. All moneys received by such relief association and deposited by it in its special fund shall be appropriated and disbursed by each such association only for the following purposes:

(a) ~~For the relief of sick, injured and disabled members of the association, their widows and orphans.~~

(b) For the payment of disability and service pensions to members of such relief associations.

(c) ~~For the payment of salaries and expenses of its officers and employees, and the expense of operating and maintaining such relief association; including the premiums on the official bonds of its officers and employees~~ administrative expenses of the association as authorized pursuant to section 8 of this act.

Sec. 5. Minnesota Statutes 1976, Section 423.808, is amended to read:

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423.808 **USES OF PENSION FUND.** The policemen's pension fund shall be used only for the payment of:

- (a) service, disability, or dependency pensions;
- (b) salaries, in an amount not in excess of \$500 per year; and
- (c) ~~expenses of officers and employees of the association in connection with the protection of the fund; and~~
- (d) all expenses of operating and maintaining the association administration of the association as authorized pursuant to section 8 of this act.

Sec. 6. Minnesota Statutes 1976, Section 424.16, is amended to read:

424.16 **SPECIAL FUND; DISBURSEMENT; SEGREGATION IN CASE OF VOLUNTEER MEMBERS.** The amounts so paid to relief association by the state and each city under the provisions of sections 424.01 to 424.29 and by it set aside and deposited as a special fund, shall be appropriated and disbursed by each such association for the following purposes:

- (1) For the relief of sick, injured, and disabled members of the relief associations, their widows and orphans; and
- (2) For payment of disability and service pensions to members of the relief associations.

(3) In any city of the second class in which members of the firemen's relief association include volunteer firemen the special fund shall be segregated into two accounts, one of which shall be for the benefit of members who are volunteer firemen, and the other for the benefit of members who are paid firemen. All moneys received by the association which are derived from payroll deductions from paid firemen's salaries under section 424.12 shall be paid into the account of the fund for the benefit of paid firemen only. Funds received from other sources shall be allocated between the account for the benefit of paid firemen and the account for the benefit of volunteer firemen in such proportions as shall be designated by the governing body of the city from time to time. In the event the governing body of the city shall abolish the volunteer branch of its fire department any surplus remaining in the account of the fund for the benefit of volunteer firemen after discharging all obligations to those who are volunteer members at the time of such abolition shall be paid into the account of the fund for the benefit of paid firemen. Any funds of a firemen's relief association in a municipality which shall have become a city of the second class by adoption of a home rule charter, or increase in its population, may be allocated by action of the governing body of such city between the respective accounts of the special fund of the relief association for the benefit of paid firemen and volunteer firemen if, prior to becoming a city of second class, the municipality shall have had a relief association whose members included volunteer firemen.

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(4) For the payment of ~~necessary expenses of administering such fund, including the secretary's and treasurer's salaries~~ administrative expenses of the association as authorized pursuant to section 8 of this act .

Sec. 7. Minnesota Statutes 1976, Section 424.31, is amended to read:

424.31 BOARD OF TRUSTEES OF FIREMEN'S RELIEF ASSOCIATIONS.

The board of trustees of every firemen's relief association of this state shall be composed of the following persons: Six trustees elected annually by such firemen's relief association *from its own members and the following ex officio members taken from the officers of the municipality in which the relief association is located, the mayor or president, the recorder or clerk, the treasurer, and the chief of the fire department thereof;* and any such board of trustees of a duly incorporated relief association shall have exclusive control and management of all funds received by its treasurer under the provisions of sections 424.30 and 424.31, funds derived from the state of Minnesota, and all moneys or property donated, given, granted, or devised for the benefit of these funds, and such funds when received shall be kept in a special fund on the books of the secretary and treasurer of the association and never disbursed for any purpose except the following:

(1) For the relief of sick, injured, and disabled members of any fire department in such city;

(2) For the payment of pensions to disabled firemen and the widows and orphans of firemen;

(3) For the payment of pensions to retired firemen pursuant to the laws of the state;

(4) For the payment of the fees, dues, and assessments in the Minnesota state fire department association, and in the volunteer firemen's benefit association of Minnesota so as to entitle the members of any qualified fire department to membership in and benefits of such state association;

(5) For the payment of such death or funeral benefits as may be from time to time stipulated in the bylaws of the respective relief associations; and

(6) For the payment of ~~necessary expenses of administering such fund, including the salaries of the president, secretary and treasurer~~ administrative expenses of the association as authorized pursuant to section 8 of this act.

The term "widow" means a woman who was the wife of a fireman or pensioner during the time he was an active fireman, provided that she was married to him three or more years prior to the time when such fireman retired as a service pensioner. The term "widow" shall not include the surviving wife who has deserted a fireman or pensioner or who has not been dependent upon him for support.

The funds received by any relief association from dues, fines, initiation fees, and entertainments shall be kept in a fund called the general fund and may be disbursed for

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any purposes authorized by the articles of incorporation and bylaws of the association. The relief association is hereby authorized and empowered to invest its funds in such income paying properties and securities as the council of the city in which such organization is located shall from time to time authorize. Benefits shall in all cases be within the limits authorized by state law and in accordance with the articles of incorporation and bylaws of the association.

Sec. 8. ~~[69.80]~~ **AUTHORIZED ADMINISTRATIVE EXPENSES.** Notwithstanding any provision of law to the contrary, the payment of the following necessary, reasonable and direct expenses of maintaining, protecting and administering the special fund, when provided for in the bylaws of the association and approved by the board of trustees, shall constitute authorized administrative expenses of a police, salaried firefighters or volunteer firefighters relief association organized under any law of this state:

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

(b) Salaries and itemized expenses of the president, secretary and treasurer of the association, or their designees, incurred as a result of fulfilling their responsibilities as administrators of the special fund;

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

(d) Audit, actuarial, medical, legal and investment expenses;

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

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

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

Sec. 9. Laws 1974, Chapter 382, Section 4, Subdivision 3, is amended to read as follows:

Subd. 3. The board of trustees shall have exclusive control and management of all funds received by its treasurer under the provisions of Minnesota Statutes, Sections 424.30

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and 424.31 and funds derived for the investment of these funds, and such funds when received, shall be kept in a special fund on the books of the secretary and treasurer of the association and never disbursed for any purpose except the following:

- (a) For the relief of sick, injured and disabled members;
- (b) *For the payment of pensions to disabled firemen and their widows and orphans of firemen;*
- (c) For the payment of pensions to retired firemen pursuant to the laws of the state and the bylaws of the association;
- (d) For the payment of such death or funeral benefits as may be from time to time stipulated in the bylaws of the association;
- (e) ~~For the payment of all expenses of administering such fund, including the secretary's and treasurer's salaries, and including payments from the fund for the purchase of insurance to cover either the disability or death of a member declaring the special fund as beneficiary and including expenses in connection with the investment and protection of moneys in said fund;~~
- (f) For the payment of premiums for health insurance policies;
- (g) For the payment of premiums on medical insurance coverage on recipients of service, disability, or dependency pensions; provided that the amount per capita so expended does not exceed the amount per capita expended for similar coverage by the city of St. Cloud for municipal employees;
- (h) For the payment of administrative expenses of the association as authorized pursuant to section 8 of this act .

Sec. 10. PURCHASE OF PRIOR SERVICE; CERTAIN PERA MEMBERS. A person who has at least 20 years of service as a firefighter for the city of St. Cloud, who commenced service prior to April, 1953, at the age of 36 and who is a member of the public employees police and fire fund shall be entitled to purchase one year of service credit for the year 1953 in the public employees police and fire fund. To purchase the prior service, the person shall pay to the public employees police and fire fund an amount equal to the employee contribution rate as specified in Minnesota Statutes, Section 353.65, Subdivision 2, applied to his annual salary at the rate in effect on the date which he applies to make the purchase of prior service. Upon receipt of the specified employee contribution, the executive director of the public employees retirement association shall certify to the city of St. Cloud a required municipal contribution in an amount equal to the employer contribution rate as specified in Minnesota Statutes, Section 353.65, Subdivision 3, applied to the person's annual salary at the rate in effect on the date which he applied to make the purchase of prior service. The city of St. Cloud shall make the required contribution within 60 days of receiving certification from the executive director. Failure of the city to make the required contribution within the specified time period shall be treated as an omitted salary deduction under Minnesota Statutes, Section 353.27,

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Subdivision 12.

Sec. 11. **EFFECTIVE DATE.** This act is effective the day following final enactment.

Approved March 28, 1978.

CHAPTER 691-H.F.No.2377

[Not Coded]

An act relating to the town of White, St. Louis county; authorizing the electors of the town to set the compensation of the town assessor; amending Laws 1973, Chapter 530, Section 1; repealing Laws 1959, Chapter 314, Section 1.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. **WHITE, TOWN OF; COMPENSATION OF ASSESSOR.** The electors of the town of White may set the compensation of the town assessor at the annual town meeting or special town meeting called for that purpose.

Sec. 2. Laws 1973, Chapter 530, Section 1, is amended to read:

Section 1. **WHITE, TOWN OF; COMPENSATION OF CLERK AND TREASURER.** The town of White, St. Louis county, may, at the next meeting of the town board, fix the salary of the town clerk at a sum not to exceed \$650 per month; the salary of the assessor at a sum not to exceed \$150 per month and the salary of the town treasurer at a sum not to exceed \$350 per month.

Sec. 3. Laws 1959, Chapter 314, Section 1, is repealed.

Sec. 4. This act shall become effective only after its approval by a majority vote of the town board of the town of White, St. Louis county and upon compliance with Minnesota Statutes, Section 645.021.

Approved March 28, 1978.

CHAPTER 692-H.F.No.2429

[Not Coded]

An act relating to the cities of Mankato and North Mankato; prohibiting regulation of the rates of the public transit system by the public service commission.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

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