

principal administrative capacity in an institution of higher education or a hospital;

(b) Service performed prior to January 1, 1972, by a faculty member in the employ of a university, college, school or any other institution of higher education which is supported wholly or substantially by public funds;

(c) Service performed by members of the Minnesota national guard when ordered to duty for military assignments;

(d) Service performed in the employ of the state natural resources department directly and solely in connection with emergency fire fighting, including but not limited to those persons temporarily employed for the purpose of detecting, locating, or suppressing forest fires.

(17) "Institution of higher education," for the purposes of this subdivision, means an educational institution which:

(a) Admits as regular students only individuals having a certificate of graduation from a high school, or the recognized equivalent of such a certificate;

(b) Is legally authorized in this state to provide a program of education beyond high school;

(c) Provides an educational program for which it awards a bachelor's or higher degree, or provides a program which is acceptable for credit toward such a degree, a program of post-graduate or post-doctoral studies, or a program of training to prepare students for gainful employment in a recognized occupation; and

(d) Is a public or other nonprofit institution.

(e) Notwithstanding any of the foregoing provisions of this clause, all colleges and universities in this state are institutions of higher education for purposes of this section.

(18) "Hospital" means an institution which has been licensed, certified or approved by the department of health as a hospital.

Sec. 2. This act is effective January 1, 1978.

Approved March 28, 1978.

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CHAPTER 689-H.F.No.2330

[Not Coded]

*An act relating to retirement; consolidation of the police relief association of the city of Thief River Falls into the public employees police and fire fund.*

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

**Section 1. THIEF RIVER FALLS; POLICE OFFICERS; COVERAGE BY THE PUBLIC EMPLOYEES POLICE AND FIRE FUND.** Notwithstanding any provisions of law to the contrary, on January 1, 1979, all active police officers employed by the police department of the city of Thief River Falls who are members of the Thief River Falls police relief association shall cease to be members of the police relief association and shall cease to have any accrual of service credits, rights, or benefits from the Thief River Falls police relief association. From and after January 1, 1979, all active police officers employed by the police department of the city of Thief River Falls who meet the requirements of Minnesota Statutes, Section 353.64 shall be members of the public employees police and fire fund established pursuant to Minnesota Statutes, Sections 353.63 to 353.68.

**Sec. 2. PURCHASE OF PRIOR SERVICE IN THE PUBLIC EMPLOYEES POLICE AND FIRE FUND.** Any active police officer who has pension coverage transferred from the local relief association to the public employees police and fire fund pursuant to section 1 shall be entitled to elect on or before January 1, 1980 to receive allowable service credit in the public employees police and fire fund for any or all periods of active service as a police officer employed by the police department of the city of Thief River Falls. Service credit in the public employees police and fire fund for each active police officer who elects to purchase the prior service credit shall be granted upon receipt of an amount equal to that percentage of the required reserves for the period or periods of service which the active police officer elects to purchase, as calculated by the actuary of the public employees police and fire fund and certified by the board of trustees of the public employees retirement association, which the assets of the public employees police and fire fund bear to the accrued liability of the fund as determined by the most recent actuarial valuation submitted to the legislative commission on pensions and retirement pursuant to Minnesota Statutes, Chapter 356.

**Sec. 3. REFUND OF EMPLOYEE CONTRIBUTIONS.** Any police officer who has pension coverage transferred from the Thief River Falls police relief association to the public employees police and fire fund pursuant to section 1 shall be entitled, upon making written application prior to, to a refund of the employee's accumulated contributions. Acceptance of the refund by the police officer shall terminate all rights which the active employee has to any benefits from the police relief association.

**Sec. 4. TRUST FUND FOR RELIEF ASSOCIATION BENEFICIARIES.** Subdivision 1. Notwithstanding any law to the contrary, effective January 1, 1979, the special fund of the Thief River Falls police relief association shall be transferred to the city of Thief River Falls. The city of Thief River Falls, on the same day, shall transfer an amount at least equal to \$52,788 to a special account established by the city which shall be maintained separately as a trust fund for the exclusive benefit of the retired and disabled members of the Thief River Falls police relief association receiving benefits on January 1, 1979 and their surviving spouses if otherwise entitled to benefits under the laws governing the police relief association. The trust fund shall be managed by a board of trustees composed of three members, with two members selected by the retired and disabled members and benefit recipients of the former police relief association and one

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member selected by the city council. The term of the board shall be indefinite and shall continue until a vacancy shall occur in one of the positions on the board. The city of Thief River Falls shall perform whatever services are necessary to administer the trust fund. Any balance remaining in the trust fund shall not revert to the city of Thief River Falls until all obligations of the trust fund are paid. The benefit plan provisions of the Thief River Falls police relief association which were in effect as of January 1, 1979 shall continue in force to govern the respective benefits paid out of the trust fund.

Subd. 2. Upon the transfer of money and the establishment of the trust fund pursuant to subdivision 1, the board of trustees shall have an actuarial valuation or survey made of the trust fund in accordance with the filing requirements and applicable actuarial standards set forth in the general statute governing actuarial reporting by police and fire funds. The board of trustees shall also complete and file a financial report for the trust fund in accordance with Minnesota Statutes, Section 69.051.

**Sec. 5. FINANCIAL REQUIREMENTS OF THE TRUST FUND.** Commencing January 1, 1979, the city of Thief River Falls shall provide by annual levy an amount sufficient to pay the aggregate amount of service pensions, disability benefits, and survivorship benefits projected by the board of trustees of the trust fund established pursuant to section 4 for the following calendar year less the amount of assets in the trust fund as reported in the last audited financial report of the association prepared pursuant to Minnesota Statutes, Section 69.051. All revenues generated by any levy required under this section shall be transferred to the trust fund.

**Sec. 6. FINANCIAL REQUIREMENTS FOR ACTIVE POLICE OFFICERS.** The city of Thief River Falls shall make the employer contribution to the public employees police and fire fund on behalf of all active police officers employed by the police department as required in Minnesota Statutes, Sections 353.63 to 353.68. Any police state aid received by Thief River Falls may be allocated by the city council between the financial requirements of the trust fund set forth in section 5 and this section pursuant to Minnesota Statutes, Section 69.031, Subdivision 5. Amounts allocated for use in meeting the financial requirements under section 5 shall reduce any levy required pursuant to that section.

**Sec. 7. ALL LEVIES FOR PURPOSES OF THIS ACT TO BE SPECIAL LEVIES.** Notwithstanding any provision of law to the contrary, any levies required under section 5 or 6 shall not be included in any limitation as to rate or amount set by charter and shall be a special levy for purposes of Minnesota Statutes, Section 275.50, Subdivision 5.

**Sec. 8. AUTHORITY TO BOND TO ACCOMPLISH THE PURPOSES OF THIS ACT.** The city of Thief River Falls is hereby authorized to sell bonds in such amount as will provide the necessary funds to pay the employer's share of the purchase of prior service in the public employees police and fire fund for relief association beneficiaries pursuant to section 4. The maturity of these bonds shall not be more than 15 years from the date of sale. The bonds may be issued and sold without a vote of the electorate and shall not be included in the net debt of the city for purposes of any charter or statutory debt limitation. Taxes for the payment of the bonds and interest thereon shall

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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.

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**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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