

353A.04 CONSOLIDATION PROCEDURE.

Subdivision 1. **Source of consolidation initiation.** The consolidation of a relief association may be initiated by the minimum required proportion of the relief association membership.

Subd. 2. **Initiation procedure.** To initiate the consolidation procedure, the minimum required proportion of the relief association membership shall submit a signed petition to the board of trustees recommending to the board, the balance of the membership of the relief association and to the municipality that the relief association be consolidated with the public employees retirement association. Upon receipt of the petition and authentication of the signatures contained in it, the board of trustees shall hold a public hearing on the issue and shall adopt a resolution setting forth its recommendation to the membership and to the municipality on the issue and setting forth the procedure for a membership referendum under subdivision 4.

Subd. 3. **Board of trustees response.** In responding to a petition of the minimum required proportion of the relief association membership, the board of trustees shall hold a special meeting within one month of the receipt and authentication of the petition at which the public hearing shall be conducted. The resolution of the board of trustees setting forth its recommendation and the membership referendum procedure shall be adopted either at that special meeting or at the regular scheduled meeting of the board of trustees next following the special meeting.

Subd. 4. **Membership referendum procedure.** The resolution of the board of trustees setting forth the membership referendum procedure shall provide for a referendum by the membership of the relief association. The referendum must be conducted by a secret ballot in a manner agreeable to the chief administrative officer of the relief association and the representative of the municipality on the relief association board who is most senior in rank. The resolution must specify the language of the referendum question, the time and place for the referendum, the procedure for referendum balloting as provided in section 353A.02, subdivision 26, and the form and content of any informational or explanatory materials that may be distributed with the referendum ballot. Approval or disapproval of consolidation shall be determined by majority vote. A ballot must be provided to each active, deferred, or retired member and to the survivors of active, deferred, or retired members. A relief association shall distribute ballots by mail to the last known addresses of members or survivors at least 30 days before the deadline for their return to the association. An active, deferred, disabled, or retired member is entitled to one vote. The survivor or survivors of an active, deferred, disabled, or retired member is entitled to one vote. If there is more than one survivor, the vote must be cast by the eldest survivor if that person is of the age of majority or, if not, by the guardian of the eldest survivor.

Subd. 5. **Approval time limits.** When the consolidation process is approved by the relief association membership, the governing body of the municipality shall approve or disapprove the consolidation action by a resolution of the governing body of the municipality within two months.

Subd. 6. **Impact of disapproval.** If a consolidation action is disapproved by action of the governing body of the municipality or by majority referendum vote of the membership of the relief association, no consolidation action may be initiated until after January 1 of the year next following the date of disapproval.

Subd. 7. **Certification of approval.** If a consolidation action is approved, the chief administrative officer of the municipality shall notify the executive director of the Public Employees Retirement Association, the executive director of the state board, the executive director of the commission, the commissioner of finance, the secretary of state, and the state auditor of the approval. The notification to the state auditor shall also contain a certification by the chief administrative officer of the municipality and by the secretary of the relief association that there was compliance with the procedures set forth in this section in approving that consolidation action and shall include a copy of any relevant documentation.

Subd. 8. **Final municipal approval.** If a consolidation action is approved, the remaining actions preliminary to the finalization of the consolidation provided for in section 353A.05 shall take place and consolidation shall occur pending final approval of the consolidation by the governing body of the municipality. Final action on the question of the approval of the consolidation by the governing body of the municipality shall occur at a public hearing held for that purpose and shall occur within one month of the conclusion of the remaining actions preliminary to the finalization of the consolidation. If the governing body of the municipality upon its final action on the consolidation disapproves the consolidation, or the deadline for the municipality to take final action upon the question of consolidation expires, the approvals by the relief association and the municipality to initiate the consolidation shall no longer be effective.

Subd. 9. **Division of salaried and volunteer firefighter relief association.** If the relief association includes in its membership both volunteer firefighters and salaried firefighters, the board of trustees of the relief association shall, before the effective date of the consolidation, undertake the necessary steps to separate the volunteer firefighters portion of the relief association from the salaried firefighters portion of the relief association and to establish the volunteer firefighters portion of the relief association as a distinct relief association governed by chapter 424A. Any special fund assets of the original relief association shall be valued at their fair market value and divided between the new volunteer firefighters relief association and the existing relief association on the basis of their relative actuarial accrued liabilities as determined by an approved actuary as provided in section 356.215. The municipality shall adopt a resolution specifying how

any fire state aid received by the municipality under sections 69.011 to 69.051 shall be allocated between the newly established volunteer firefighters relief association and the existing relief association or the fund, whichever applies, as of the date of allocation.

History: *1987 c 296 s 11; 1992 c 432 art 2 s 27*