

69.77 BLOOMINGTON FIREFIGHTERS RELIEF ASSOCIATION.

Subdivision 1. **Conditioned employer support for a relief association.** (a) Notwithstanding any law to the contrary, only if the municipality and the relief association comply with the provisions of this section, a municipality may contribute public funds, including any applicable police or fire state aid, or levy property taxes for the support of a police or firefighters' relief association, enumerated in subdivision 1a, however organized, which provides retirement coverage or pays a service pension to a retired police officer or firefighter or a retirement benefit to a surviving dependent of either an active or retired police officer or firefighter, for the operation and maintenance of the relief association.

(b) The commissioner shall not include in the apportionment of police or fire state aid to the county auditor under section 69.021, subdivision 6, any municipality in which there exists a local police or salaried firefighters' relief association as enumerated in subdivision 1a which does not comply with the provisions of this section or the provisions of any applicable special law relating to the funding or financing of the association and that municipality may not qualify initially to receive, or be entitled subsequently to retain, state aid under sections 69.011 to 69.051 until the reason for the disqualification is remedied, whereupon the municipality, if otherwise qualified, is entitled to again receive state aid for the year occurring immediately subsequent to the year in which the disqualification is remedied.

(c) The state auditor and the commissioner shall determine if a municipality with a local police or salaried firefighters' relief association fails to comply with the provisions of this section or the funding or financing provisions of any applicable special law.

Subd. 1a. **Covered retirement plans.** The provisions of this section apply to the Bloomington Firefighters Relief Association.

Subd. 2. **Inapplicable penalty.** The penalty provided for in subdivision 1 does not apply to a relief association enumerated in subdivision 1a if the requirements of subdivisions 3 to 10 are met.

Subd. 2a. [Renumbered subd 3]

Subd. 2b. [Renumbered subd 4]

Subd. 2c. [Renumbered subd 5]

Subd. 2d. [Renumbered subd 6]

Subd. 2e. [Renumbered subd 7]

Subd. 2f. [Renumbered subd 8]

Subd. 2g. [Renumbered subd 9]

Subd. 2h. [Renumbered subd 10]

Subd. 2i. [Renumbered subd 11]

Subd. 3. [Renumbered subd 13]

Subd. 3. **Minimum member contribution.** Each active member of the relief association must pay into the special fund of the association during a year of covered service, a contribution for retirement coverage, including survivorship benefits, of not less than eight percent of the maximum rate of salary upon which retirement coverage is credited and service pension and retirement benefit amounts are determined. The member contributions must be made by payroll deduction from the salary of the member by the municipality, and must be transmitted by the municipality to the relief association as soon as practical. The relief association shall deposit the

member contribution to the credit of the special fund of the relief association. The member contribution requirement specified in this subdivision does not apply to any members who are volunteer firefighters.

Subd. 4. Relief association financial requirements; minimum municipal obligation. (a) The officers of the relief association shall determine the financial requirements of the relief association and minimum obligation of the municipality for the following calendar year in accordance with the requirements of this subdivision. The financial requirements of the relief association and the minimum obligation of the municipality must be determined on or before the submission date established by the municipality under subdivision 5.

(b) The financial requirements of the relief association for the following calendar year must be based on the most recent actuarial valuation or survey of the special fund of the association if more than one fund is maintained by the association, or of the association, if only one fund is maintained, prepared in accordance with sections 356.215, subdivisions 4 to 15, and 356.216, as required under subdivision 10. If an actuarial estimate is prepared by the actuary of the relief association as part of obtaining a modification of the benefit plan of the relief association and the modification is implemented, the actuarial estimate must be used in calculating the subsequent financial requirements of the relief association.

(c) If the relief association has an unfunded actuarial accrued liability as reported in the most recent actuarial valuation or survey, the total of the amounts calculated under clauses (1), (2), and (3), constitute the financial requirements of the relief association for the following year. If the relief association does not have an unfunded actuarial accrued liability as reported in the most recent actuarial valuation or survey, the amount calculated under clauses (1) and (2) constitute the financial requirements of the relief association for the following year. The financial requirement elements are:

(1) the normal level cost requirement for the following year, expressed as a dollar amount, which must be determined by applying the normal level cost of the relief association as reported in the actuarial valuation or survey and expressed as a percentage of covered payroll to the estimated covered payroll of the active membership of the relief association, including any projected change in the active membership, for the following year;

(2) for the Bloomington Fire Department Relief Association, to the dollar amount of normal cost determined under clause (1) must be added an amount equal to the dollar amount of the administrative expenses of the special fund of the association if more than one fund is maintained by the association, or of the association if only one fund is maintained, for the most recent year, multiplied by the factor of 1.035. The administrative expenses are those authorized under section 69.80; and

(3) to the dollar amount of normal cost and expenses determined under clauses (1) and (2) must be added an amount equal to the level annual dollar amount which is sufficient to amortize the unfunded actuarial accrued liability as determined from the actuarial valuation or survey of the fund, using an interest assumption set at the applicable rate specified in section 356.215, subdivision 8, by that fund's amortization date as specified in paragraph (d).

(d) The Bloomington Fire Department Relief Association special fund amortization date is determined under section 356.216, clause (2). The amortization date specified in this paragraph supersedes any amortization date specified in any applicable special law.

(e) The minimum obligation of the municipality is an amount equal to the financial requirements of the relief association reduced by the estimated amount of member contributions from covered salary anticipated for the following calendar year and the estimated amounts anticipated for the following calendar year from the applicable state aid program established under sections 69.011 to 69.051 receivable by the relief association after any allocation made under section 69.031, subdivision 5, paragraph (b), clause (2), or 423A.01, subdivision 2, paragraph (a), clause (6), from the local police and salaried firefighters' relief association amortization aid program established under section 423A.02, subdivision 1, from the supplementary amortization state-aid program established under section 423A.02, subdivision 1a, and from the additional amortization state aid under section 423A.02, subdivision 1b.

Subd. 5. Determination submission. The officers of the relief association shall submit the determination of the financial requirements of the relief association and of the minimum obligation of the municipality to the governing body on or before the date established by the municipality, which may not be earlier than August 1 and may not be later than September 1 of each year. The governing body of the municipality must ascertain whether or not the determinations were prepared in accordance with law.

Subd. 6. Municipal payment. (a) The municipality shall provide for and shall pay, each year, at least the amount of the minimum obligation of the municipality to the relief association.

(b) If there is any deficiency in the municipal payment to meet the minimum obligation of the municipality as of the end of any calendar year, the amount of the deficiency must be added to the minimum obligation of the municipality for the following year calculated under subdivision 4 and must include interest at the compound rate of six percent per annum from the date that the municipality was required to make payment under this subdivision until the date that the municipality actually makes the required payment.

Subd. 7. Budget inclusion. (a) The municipality shall provide in the annual municipal budget for at least the minimum obligation of the municipality calculated under subdivision 4.

(b) The municipality may levy taxes for the payment of the minimum obligation of the municipality without any limitation as to rate or amount and irrespective of limitations imposed by other provisions of law upon the rate or amount of taxation when the balance of the special fund or any fund of the relief association has attained a specified minimum asset level. In addition, any taxes levied under this section may not cause the amount or rate of other taxes levied in that year or to be levied in a subsequent year by the municipality which are subject to a limitation as to rate or amount to be reduced.

(c) If the municipality does not include the full amount of the minimum obligation of the municipality in the levy that the municipality certified to the county auditor in any year, the officers of the relief association shall certify the amount of any deficiency to the county auditor. Upon verifying the existence of any deficiency in the levy certified by the municipality, the county auditor shall spread a levy over the taxable property of the municipality in the amount of the deficiency certified to by the officers of the relief association.

Subd. 8. Accelerated amortization. Any sums of money paid by the municipality to the relief association in excess of the minimum obligation of the municipality in any year must be used to amortize any unfunded actuarial accrued liabilities of the relief association.

Subd. 9. **Local paid fire relief association investment authority.** (a) The special fund of the association must be invested in securities that are authorized investments under section 356A.06, subdivision 6 or 7, whichever applies.

(b) The governing board of the association may select and appoint a qualified private firm to measure management performance and return on investment, and the firm must use the formula or formulas developed by the state board under section 11A.04, clause (11).

(c) The governing board of the association may certify general fund assets of the relief association for investment by the State Board of Investment in fixed income pools or in a separately managed account at the discretion of the State Board of Investment as provided in section 11A.14.

Subd. 10. **Actuarial valuation required.** The association shall obtain an actuarial valuation showing the condition of the special fund of the relief association under sections 356.215 and 356.216 and any applicable standards for actuarial work established by the Legislative Commission on Pensions and Retirement. The actuarial valuation must be made as of December 31 of every year. A copy of the actuarial valuation must be filed with the Director of the Legislative Reference Library, the governing body of the municipality in which the association is organized, the executive director of the Legislative Commission on Pensions and Retirement, and the state auditor, not later than July 1 of the following year.

Subd. 11. **Municipal approval of benefit changes required.** Any amendment to the bylaws or articles of incorporation of a relief association which increases or otherwise affects the retirement coverage provided by or the service pensions or retirement benefits payable from any police or firefighters' relief association enumerated in subdivision 1a is not effective until it is ratified by the municipality in which the relief association is located. The officers of the relief association shall not seek municipal ratification before obtaining either an updated actuarial valuation including the proposed amendment or an estimate of the expected actuarial impact of the proposed amendment prepared by the actuary of the relief association and submitting that actuarial valuation or estimate to the clerk of the municipality.

Subd. 12. **Application of other laws to contribution rate.** In the absence of any specific provision to the contrary, no general or special law previously enacted may be construed as reducing the levy amount or rate of contribution to a police or firefighters relief association to which subdivision 1a applies, by a municipality or member of the association, which is required as a condition for the use of public funds or the levy of taxes for the support of the association. Each association, the municipality in which it is organized, and the officers of each, are authorized to do all things required by this section as a condition for the use of public funds or the levy of taxes for the support of the association.

Subd. 13. **Citation.** This section may be cited as the "Police and Firefighters' Relief Associations Guidelines Act of 1969."

History: 1969 c 223 s 1,2; 1971 c 11 s 1; 1971 c 329 s 1; 1973 c 129 s 6; 1973 c 772 s 2; 1974 c 152 s 10; 1975 c 271 s 6; 1977 c 429 s 63; 1978 c 563 s 1-3; 1980 c 341 s 1; 1980 c 607 art 14 s 27; art 15 s 2; 1981 c 208 s 7; 1981 c 224 s 23-26; 1982 c 460 s 5; 1982 c 578 art 3 s 2; 1983 c 71 s 1; 1983 c 289 s 114 subd 1; 1983 c 291 s 2; 1984 c 574 s 2; 1984 c 655 art 1 s 92; 1Sp1985 c 7 s 35; 1986 c 356 s 6; 1986 c 359 s 10; 1987 c 259 s 6,7; 1989 c 319 art 8 s 7; art 19 s 3; 1993 c 300 s 8; 1994 c 604 art 2 s 1; 2002 c 377 art 6 s 1; 2002 c 392 art 1 s 1; art 11 s 52; 1Sp2005 c 8 art 11 s 1; 2006 c 271 art 8 s 1; 2009 c 169 art 8 s 1; 1Sp2011 c 8 art 6 s 19; art 7 s 19; art 8 s 4,5,14; 2012 c 286 art 10 s 4; art 11 s 1,2