



S.F. 557

(Bakk)

H.F. 732

(Dill)

Executive Summary of Commission Staff Materials

Affected Pension Plan(s): Brimson Volunteer Firefighters Relief Association
Relevant Provisions of Law: Special Local Law
General Nature of Proposal: Expansion of Municipal Representation on Relief Association Board of Trustees
Date of Summary: March 2, 2009

Specific Proposed Change(s)

- Permits the Brimson Firefighters Relief Association, with municipal approval by the Ault Township, to vary from the general law applicable to volunteer firefighters relief association and utilize a ten-member board of trustees.

Policy Issues Raised by the Proposed Legislation

1. Potential for broader applicability; precedent.
2. Sufficiency of the designation of one municipality for local approval.
3. Conformity with the Minnesota Constitution; separate legislation.

Potential Amendments

No staff proposed potential amendments.



TO: Members of the Legislative Commission on Pensions and Retirement
FROM: Lawrence A. Martin, Executive Director *JAM*
RE: S.F. 557 (Bakk); H.F. 732 (Dill): Brimson Firefighters Relief Association;
Alternate Board of Trustees Composition
DATE: March 2, 2009

Summary of S.F. 557 (Bakk); H.F. 732 (Dill)

S.F. 557 (Bakk); H.F. 732 (Dill) relates to the Brimson Firefighters Relief Association and permits the relief association, with municipal approval by Ault Township, to vary from the general law applicable to volunteer firefighters' relief associations and utilize a ten-member board of trustees, with six volunteer firefighter members, three municipal officials drawn from the municipalities served by the fire department, and the fire department chief.

Background Information on Volunteer Firefighters' Relief Association Board of Trustee Composition

The composition of the boards of trustees of volunteer firefighters' relief associations was first specifically regulated in 1909 (Laws 1909, Chapter 197, Section 2) and provided for a board of ten, with six firefighters elected by the relief association membership and four ex-officio municipal officials from the municipality with which the relief association was associated, which were the mayor or president, the recorder or clerk, the treasurer, and the fire chief.

In 1979 (Laws 1979, Chapter 201, Section 14), the composition of the volunteer firefighters' relief association board was modified at the request of the League of Minnesota Cities as part of a general revision of volunteer firefighters' relief association laws. The total number of board of trustee members was set at nine, with six elected firefighters and with the mayor, the clerk or clerk-treasurer, and the fire chief if the relief association was associated with a single municipality or with municipal officials appointed by the applicable municipality if the relief association is associated with more than one municipality. With two municipalities, the largest municipality was represented by two board members and the other municipality by one board member. With three municipalities, each municipality was represented. With more than three municipalities, the three largest municipalities were represented.

In 1983 (Laws 1983, Chapter 219, Section 8), the composition of the volunteer firefighters' relief association board associated with an independent nonprofit firefighting corporation was increased to ten, with the addition of the fire department chief as an additional trustee. The volunteer firefighters' relief association board associated with a municipal fire department remained at nine members.

In 2005 (First Special Session Laws 2005, Chapter 8, Article 9, Section 14), the composition of volunteer firefighters' relief association boards of trustees was further modified by a change recommended by the Volunteer Firefighter Working Group assembled by the Office of the State Auditor. For relief associations associated with a municipal fire department, the two positions previously filled by the mayor; and the clerk, clerk treasurer, or finance director; were filled by an elected municipal official and elected or appointed municipal official designated by the municipal governing board. If the relief association is a subsidiary of an independent nonprofit firefighting corporation, the board was reduced from ten to nine members, with two trustees drawn from the officials of the municipalities served by the firefighting corporation.

Discussion and Analysis

S.F. 557 (Bakk); H.F. 732 (Dill) permits one relief association, the Brimson Firefighters Relief Association, to utilize the post-1982, pre-2005 volunteer firefighters' relief association board of trustees composition, increasing its board from nine to ten with the addition of another municipal representative. The local legislation would be effective upon local approval by Ault Township.

S.F. 557 (Bakk); H.F. 732 (Dill) raises the following pension and related public policy issues for consideration by the Commission:

1. Potential for Broader Applicability; Precedent. The policy issue is whether or not the proposed change for the Brimson Firefighters Relief Association may also be desired by other volunteer firefighters' relief associations associated with independent nonprofit firefighting corporations. There is considerable uncertainty about the number of independent nonprofit firefighting corporations in Minnesota, with 18 independent nonprofit firefighting corporations identified in 1969, 44 independent nonprofit firefighting corporations identified in 1982, and 63 independent nonprofit firefighting corporations identified in 2002, as follows:

1969 (18)	1982 (44)	2002 (63)
1. Almelund (Chisago Co.)	1. Albertville (Wright Co.)	1. Alaska (Beltrami Co.)
2. Clifton (St. Louis Co.)	2. Alden (Freeborn Co.)	2. Boyd (Lac Qui Parle Co.)
3. Crookston (Polk Co.)	3. Askov (Pine Co.)	3. Brimson (St. Louis Co.)
4. East Co. Line (Ramsey Co.)	4. Beaver Bay (Lake Co.)	4. Canton (Fillmore Co.)
5. Gladstone (Ramsey Co.)	5. Bemidji Pioneer (Beltrami Co.)	5. Clinton (St. Louis Co.)
6. Hamel (Hennepin Co.)	6. Browerville (Todd Co.)	6. Colvin (St. Louis Co.)
7. Lake Johanna (Ramsey Co.)	7. Callaway (Becker Co.)	7. Cotton (St. Louis Co.)
8. Lakewood (St. Louis Co.)	8. Ceylon (Martin Co.)	8. Crane Lake (St. Louis Co.)
9. Little Canada (Ramsey Co.)	9. Clearwater (Wright Co.)	9. Crookston (Polk Co.)
10. Northdale	10. Columbia Heights-Vol. Div. (Anoka Co.)	10. Dakota (Winona Co.)
11. Odessa Farm (Big Stone Co.)	11. Cuyuna (Crow Wing Co.)	11. Dalbo (Isanti Co.)
12. Parkside (Ramsey Co.)	12. Darfur (Watonwan Co.)	12. Eastern Hubbard (Hubbard Co.)
13. Pillager (Cass Co.)	13. Dawson (Lac Qui Parle Co.)	13. Eitzen (Houston Co.)
14. Rural Fire Protection Assn. (Beltrami Co.)	14. East Grand Forks (Polk Co.)	14. Elbow-Tulaby Lk (Becker Co.)
15. South Bend Township (Blue Earth Co.)	15. Embarrass Region (St. Louis Co.)	15. Ellsburg (St. Louis Co.)
16. Spring Lake Park (Anoka Co.)	16. Gnesen (St. Louis Co.)	16. Federal Dam (Cass Co.)
17. Thompson Grove (Washington Co.)	17. Granada (Martin Co.)	17. Finland (Lake Co.)
18. Woodbury (Washington Co.)	18. Granite Falls (Yellow Medicine Co.)	18. Fredenberg (St. Louis Co.)
	19. Hamel (Hennepin Co.)	19. Garrison (Crow Wing Co.)
	20. Hendrum (Norman Co.)	20. Gnesen (St. Louis Co.)
	21. Hermantown (St. Louis Co.)	21. Grand Lake Twp (St. Louis Co.)
	22. Industrial (St. Louis Co.)	22. Gunflint Trail (Cook Co.)
	23. Iona (Murray Co.)	23. Hackensack (Cass Co.)
	24. Kasota (Le Sueur Co.)	24. Hamel (Hennepin Co.)
	25. Kensington (Douglas Co.)	25. Hermantown (St. Louis Co.)
	26. Lake George (Hubbard Co.)	26. Hovland (Cook Co.)
	27. Lake Johanna (Ramsey Co.)	27. Industrial (St. Louis Co.)
	28. Little Canada (Ramsey Co.)	28. Jacobson (Aitkin Co.)
	29. Longville (Cass Co.)	29. Keewatin (Itasca Co.)
	30. Loretto (Hennepin Co.)	30. Kinney (St. Louis Co.)
	31. Maplewood (Ramsey Co.)	31. Lake George (Hubbard Co.)
	32. McDavitt (St. Louis Co.)	32. Lake Johanna (Ramsey Co.)
	33. Miltona (Douglas Co.)	33. Lake Kabetogama (St. Louis Co.)
	34. Ostrander (Fillmore Co.)	34. Lakeland (St. Louis Co.)
	35. Pike-Sandy-Britt (St. Louis Co.)	35. Lakewood (St. Louis Co.)
	36. Pillager (Cass Co.)	36. Le Center (Le Sueur Co.)
	37. Ruthton (Pipestone Co.)	37. Lewisville (Watonwan Co.)
	38. Sacred Heart (Renville Co.)	38. Little Canada (Ramsey Co.)
	39. Shakopee (Scott Co.)	39. Littlefork (Koochiching Co.)
	40. Spring Lake Park (Anoka Co.)	40. London (Freeborn Co.)
	41. St. Hilaire (Pennington Co.)	41. Longville (Cass Co.)
	42. Starbuck (Pope Co.)	42. Loretto (Hennepin Co.)
	43. Stephen (Marshall Co.)	43. Lower St. Croix Val (Washington Co.)
	44. Wood Lake (Yellow Medicine Co.)	44. Makinen (St. Louis Co.)
		45. Maple Hill (Cook Co.)
		46. McDavitt (St. Louis Co.)
		47. Meadowlands (St. Louis Co.)
		48. Moose Lake (Carlton Co.)
		49. Nassau (Lac Qui Parle Co.)
		50. Northland (St. Louis Co.)
		51. Pennock (Kandiyohi Co.)
		52. Pequaywan (St. Louis Co.)
		53. Pike-Sandy-Britt (St. Louis Co.)
		54. Pillager (Cass Co.)
		55. Silica (St. Louis Co.)
		56. Solway Twp (St. Louis Co.)
		57. Spring Lake Park (Anoka Co.)
		58. Swanville (Morrison Co.)
		59. Toivola Twp (St. Louis Co.)
		60. Underwood (Otter Tail Co.)
		61. Watson (Chippewa Co.)
		62. Waverly (Wright Co.)
		63. Wilson (Winona Co.)

Although most Minnesota fire departments are part of municipal government, several fire departments are organized as independent nonprofit firefighting corporations. A nonprofit firefighting corporation provides fire protection and fire suppression services to one or more municipalities under contract. Independent nonprofit firefighting corporations have been formed in a variety of circumstances. Most, but not all, independent nonprofit firefighting corporations furnish fire protection to the local

community in which they are situated and also serve nearby municipalities and townships that do not have their own local departments. In some cases, the independent nonprofit firefighting corporations are subsidiary to a parent municipal fire department and membership is concurrent. In some cases, it appears that independent nonprofit firefighting corporations were formed instead of municipal fire departments either at an earlier time when township tax levy limits made it difficult for some townships to build, staff, and equip a municipal fire department and before the general availability of joint powers arrangements or in order to remove the burden of administrative duties from local officials.

If many volunteer firefighters' relief associations are associates with three municipalities, akin to the apparent situation of the Brimson Firefighters Relief Association, and if the municipalities are each of a sufficient size to feel slighted or impaired without relief association board representation, there may be future demands for similar proposed legislation and the Brimson Firefighters Relief Association proposal would be precedent for those future requests. If there are future requests, it may be appropriate at that time to consider a general law change to accommodate the situation.

2. Sufficiency of the Designation of One Municipality for Local Approval. The policy issue is the sufficiency of designating one township, Ault Township, for the local approval of the special local legislation. Apparently, the Brimson Firefighters Relief Association serves three or more municipalities, although it is listed as being located in Ault Township. Nearby localities, Brimson, Rollins, and Wales, are all unincorporated. If more municipalities beyond Ault Township appropriately should be required to approve the special local legislation, those governmental units will need to be identified in testimony on the proposed legislation.
3. Conformity with the Minnesota Constitution; Separate Legislation. The policy issue is the manner in which the Commission accommodates the wishes of the municipalities participating in the Brimson Firefighters Relief Association and the extent to which its recommendation conforms with requirements of the Minnesota Constitution. The Commission has followed the practice in recent years of incorporating all or virtually all retirement-related proposed legislation in a single omnibus bill. The Minnesota Constitution, Article IX, Sections 1 and 2, permits special legislation for a single governmental unit, multiple governmental units in a single county, or multiple governmental units in contiguous counties. If the 2009 omnibus retirement bill is likely to include more than one local law provision, the Commission should consider conformity with the local law restrictions and requirements of the Minnesota Constitution and recommend the local legislation in separate proposed legislation unless the units ultimately to be affected by the 2009 omnibus retirement bill are in contiguous counties.

Senator Bakk introduced—

S.F. No. 557: Referred to the Committee on State and Local Government Operations and Oversight.

1.1 A bill for an act
1.2 relating to retirement; Brimson Firefighters Relief Association; permitting an
1.3 alternate composition of the relief association board of trustees.

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

1.5 Section 1. **BRIMSON FIREFIGHTERS RELIEF ASSOCIATION; BOARD OF**
1.6 **TRUSTEES MEMBERSHIP.**

1.7 Notwithstanding any provisions of Minnesota Statutes, section 424A.04, or other
1.8 law to the contrary, the Brimson Firefighters Relief Association must be managed by a
1.9 board of trustees consisting of ten members, with six trustees elected from the membership
1.10 of the relief association, one trustee drawn from the officials of each municipality served
1.11 by the fire department to which the relief association is directly associated, and one trustee
1.12 who is the fire chief serving with the independent nonprofit firefighting corporation.

1.13 Sec. 2. **LOCAL APPROVAL.**

1.14 Section 1 is effective the day after the governing body of the Ault Township and its
1.15 chief clerical officer timely comply with Minnesota Statutes, section 645.021, subdivisions
1.16 2 and 3.