St. Francis City Council
Work Session Agenda
St. Francis City Hall
23340 Cree Street NW

March 6, 2016
2:30 p.m.

1) Call Meeting to Order
2) Fire Relief Association Discussion
3) Other Discussion
4) Adjourn

MEMO

To: Mayor and Council

From: City Administrator

Date: 3/6/16

RE: Fire Relief Association

Staff has attached the Staff Memo and supporting materials from the 12/7/15 City Council Meeting when the Fire Relief made the formal requests for the following:

1) Proposed benefit increase from $2,100 to $3,100 annually per year of service – this would drop fund balance from 175% to 105%. The City is mandated to cover any shortfall the invested funds reach below 100%.
2) Relief Association to PERA which would vest fire fighters at five years and enables PERA to invest the funds through the State Board of Investments.
3) A Voluntary Contribution from the City of $500 per fire fighter per year, equaling approximately $12,500.

Considerations:

1) Having the full backing of taxes for the Fire Relief investments is a huge benefit. Essentially, they are investing their monies with a full guarantee that they will not lose in their investments.
2) PERA would enable the fire fighters to have a cost effective professional management of their funds from the State Board of Investments. They will likely see higher returns on their investments. Also, vesting at five years is very beneficial to recruit new fire fighters.
3) Approximately 25% of departments make "voluntary contributions" to relief associations. This implies that 75% do not. In addition, whenever the fund grows, the City's financial liability also grows substantially. Voluntary contributions and interest could unintentionally cause a serious financial liability for the City.

MEMO

To: Mayor and Council

From: City Administrator

Date: 12/7/15

RE: Fire Department – Relief Association Requests

This Memo is intended to supplement the presentation from S.B.M. Fire Chief Nyles Zikmund. This Memo will address the Relief Association requests individually.

Benefit Increase

The Relief Association is proposing to increase the benefit from $2,100 annually to $3,100 annually per year of service. *Attached* is an email from our Finance Director that suggests (using most recent numbers available to City Staff) that the increase would change the funding balance from 175% to 105% of financial liabilities.

NOTE: The Relief Association Fund is invested. If their funding balance falls below 100% - the City is responsible to make up any shortfalls. For example, while the market has been an all-time high, not many years ago, it took about a 20% loss.

Relief Association to PERA and 5-year vesting

If the transition to PERA is approved, it is mandated to have 5-year vesting for fire fighters. Things to consider:

1) A number of fire fighters will immediately be vested (5 years = 40%; 6 years = 44%, etc).
2) Enables fire fighters to become vested sooner, may see more turnover
3) State Board of Investments will be managing funds – higher returns are anticipated on the fund
4) The department missed the 12/1 deadline for 2016 entry; they have until 12/1/16 to enroll for 2017

Voluntary Contribution of $500 per fire fighter annually

This would require an annual contribution of approximately $12,500 – this money is not budgeted for in 2016.

Action to be considered: The Council has the options to approve, deny or table any or all of the requests.

Joe Kohlmann

From: Darcy Mulvihill
Sent: Tuesday, September 01, 2015 4:22 PM
To: Joe Kohlmann
Subject: Firefighters

Joe,

Based on the estimated liability for $3,100 per year service credit for the firefighters at the end of 2015 the Special Fund Liabilities is estimated at $529,962. The investment balance is $556,007.36 as of 8/31/15. This means their funding percentage would drop to 105%. This was at 175% at the end of 2014.

Let me know if you have any questions.

Have a Great Day!

Darcy Mulvihill, Finance Director
City of St. Francis
23340 Cree St NW
St. Francis, MN 55070

www.stfrancismn.org

Phone: 763-235-2306
Fax: 763-753-9881

dmulvihill@stfrancismn.org

"A City of Progress, Pride and Possibilities"

City of St. Francis

Voluntary Statewide Volunteer Firefighter Plan

Investment Information

Available Through the

Minnesota Supplemental Investment Fund

July 1, 2014

Minnesota State Board of Investment
60 Empire Drive
Suite 355
St. Paul, MN 55103

Phone: 651-296-3328
Fax: 651-296-9572
E-mail: minn.sbi@state.mn.us
Website: www.sbi.state.mn.us

The Minnesota Supplemental Investment Fund
is managed by the Minnesota State Board of Investment

State Board of Investment

Who Serves On The State Board of Investment?

The Board's membership is specified in the Minnesota Constitution and is composed of the Governor, the State Auditor, the Secretary of State and the Attorney General. The Board's duties, powers, and investment authority are contained in *Minnesota Statutes*, Chapter 11A.

What Is The Board's Relationship To The Public Employees Retirement Association (PERA)?

In broad terms, the Board acts as an investment manager for PERA while PERA provides a variety of administrative functions with respect to your Plan.

Who Advises The Board On Its Investment Decisions?

The Legislature has established an Investment Advisory Council to advise the Board and its staff on investment-related matters.

- The Board appoints ten members experienced in finance and investment. These members traditionally have come from the Minneapolis and St. Paul investment community.
- The Commissioner of Minnesota Management & Budget and the Executive Directors of the three statewide retirement organizations are permanent members of the Council.
- Two active employee representatives and one retiree representative are appointed to the Council by the Governor.

Members of the Board

Governor Mark Dayton
State Auditor Rebecca Otto
Secretary of State Mark Ritchie
Attorney General Lori Swanson

Investment Advisory Council

Jeffery Bailey, Chair	Sr. Director, Financial Benefits & Analysis	Target Corporation
Malcolm W. McDonald, Vice Chair	Director & Corporate Secretary, Retired	Space Center, Inc.
Denise Anderson	Governor's Appointee	Active Employee Representative
David Bergstrom	Executive Director	Minnesota State Retirement System
John E. Bohan	Vice Pres., Pension Investments, Retired	Grand Metropolitan – Pillsbury
Kerry Brick	Manager, Pension Investments	Cargill, Inc.
Dennis Duerst	Director, Benefit Funds Investment	3M Company
Kim Faust	Vice President and Treasurer	Fairview Health Services
Douglas Gorence	President & Chief Investment Officer	UMF Investment Advisors
Laurie Fiori Hacking	Executive Director	Teachers Retirement Association
P. Jay Kiedrowski	Senior Fellow	Humphrey Institute University of MN
Gary Martin	Chief Investment Officer	Macalester College
Jim Schowalter	Commissioner	Minnesota Management & Budget
Mary Vanek	Executive Director	Public Employees Retirement Association
Elaine Voss	Governor's Appointee	Retired Employee Representative

Letter to Volunteer Firefighter Organizations

July 1, 2014

This brochure provides information on the investment of assets of local firefighter entities that participate in the Voluntary Statewide Volunteer Firefighter Plan.

The Volunteer Firefighter Account is available **only** to local firefighter entities that participate in the Voluntary Statewide Volunteer Firefighter Plan (Plan). A law passed in the 2012 legislative session allows entities to make voluntary contributions to the Plan. This change may make the Plan more attractive to your organization. Information about this change and the Plan as a whole can be found on the Public Employees Retirement Association (PERA) website, www.mnpera.org, by clicking on the "Employers" tab.

The Volunteer Firefighter Account uses a balanced asset mix investment approach to provide long-term returns by investing in a diversified mix of domestic stock, international stock, bonds and money market securities. **Remember that general economic and market conditions have a dominant influence on the returns available to any investor. There may be periods in which the returns for the Volunteer Firefighter Account may be low, or even negative.**

The Volunteer Firefighter Account was established December 31, 2009. Performance is available from the Minnesota State Board of Investment upon request and can be accessed on our website at www.sbi.state.mn.us.

Listings of securities held in the Account are available upon request and can also be accessed on our website. If you have any questions regarding the Board's investment policies and procedures, please contact the office of the Minnesota State Board of Investment at 60 Empire Drive, Suite 355, St. Paul, MN 55103-3555, (651) 296-3328, or via e-mail at minn.sbi@state.mn.us. We welcome your inquiries.

Respectfully submitted,

Mansco Perry III

Mansco Perry III
Executive Director and Chief Investment Officer
State Board of Investment

General Information

What Is The Minnesota Supplemental Investment Fund?
The Minnesota Supplemental Investment Fund is a multi-purpose investment program that offers a range of investment options to state and other public employee groups. The participating groups use the Fund for a variety of retirement-related purposes. Six plans and numerous local relief associations currently participate in the Fund. As of June 30, 2014, the market value of the Fund was approximately $3.2 billion.

What Options Are Available To The Voluntary Statewide Volunteer Firefighter Plan?
The Volunteer Firefighter Account is the <u>only</u> investment option available to local firefighter entities participating in the Voluntary Statewide Volunteer Firefighter Plan. By state law, the Volunteer Firefighter Account is established for the sole purpose of investing the assets of local firefighter entities participating in the Voluntary Statewide Volunteer Firefighter Plan

What Securities Are Owned By The Fund?
Due to the large number of stocks, bonds and cash equivalents in the Account, the holdings are not listed in this brochure. If you would like a complete list of all securities in the Account, please contact the office of the State Board of Investment. A list will be sent to you, at your request, or you can access the list on our website at www.sbi.state.mn.us.

Investment Managers for the Account*

Domestic Stock Segment:

— BlackRock Institutional Trust Co., San Francisco, CA

International Stock Segment:

— AQR Capital Management, LLC, Greenwich, CT
— Acadian Asset Management, LLC, Boston, MA
— Capital International, Inc., Los Angeles, CA
— Columbia Mgmt. Investment Advisors, LLC, Minneapolis, MN
— J.P. Morgan Investment Management, Inc., London, England
— Marathon Asset Management, LLP, London, England
— McKinley Capital Management, LLC, Anchorage, AK
— Morgan Stanley Investment Management Inc., New York, NY
— Pyramis Global Advisors Trust Company, Boston, MA
— State Street Global Advisors, Boston, MA

Fixed Income Segment:

— Aberdeen Asset Management, Inc., Philadelphia, PA
— BlackRock Financial Management, New York, NY
— Columbia Mgmt. Investment Advisors, LLC, Minneapolis, MN
— Dodge & Cox, San Francisco, CA
— Goldman Sachs Asset Management, LP, New York, NY
— Neuberger Berman Fixed Income, LLC, Chicago, IL
— Pacific Investment Mgmt. Co., (PIMCO), Newport Beach, CA
— Western Asset Management Co., Pasadena, CA

Cash Segment:

— State Street Bank, Boston, MA

*The Minnesota State Board of Investment may add or delete managers from this list at its discretion.

Executive Board Personnel

Mansco Perry III	Executive Director and Chief Investment Officer
LeaAnn M. Stagg	Chief Operating Officer
Michael J. Menssen	Director, Public Markets
Paul T. Anderson	Chief Financial Officer
Charlene Olson	Executive Assistant

Investment Staff

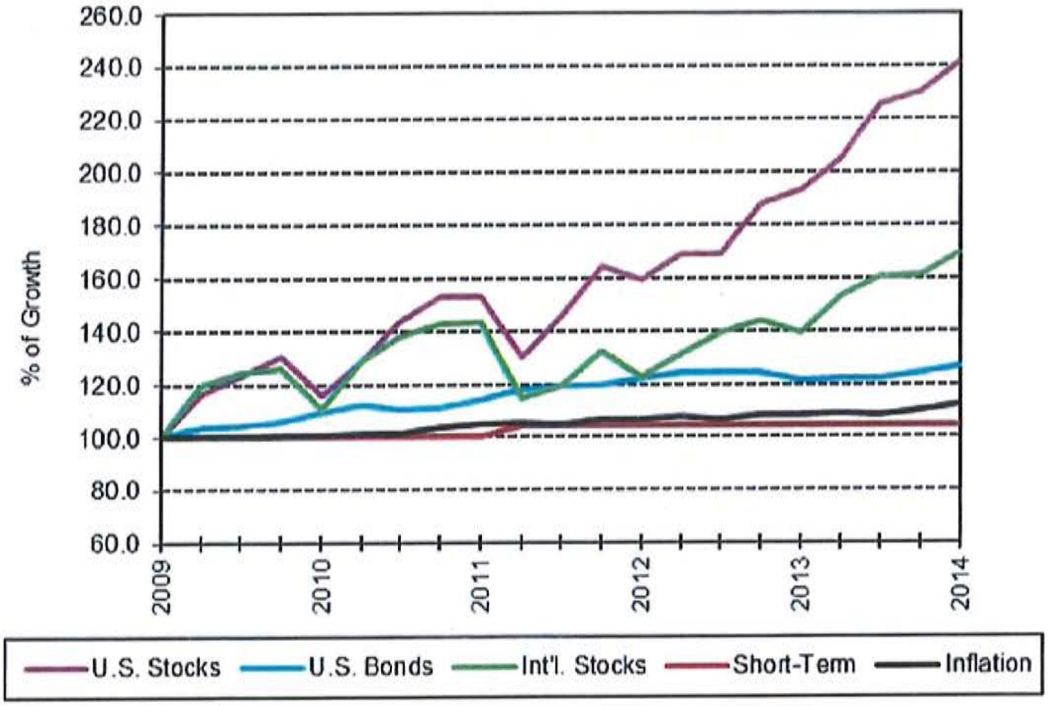
Patricia Ammann, Investment Officer	DC & Trust Services
Cassandra Boll, Investment Officer	Cash Mgmt.Services
Tammy Brusehaver, Investment Officer	Public Markets
Stephanie Gleeson, Investment Officer	Public Markets
Aaron D. Griga, Investment Officer	Public Markets
Ryan O. Hill, Investment Officer	Alternative Investments
Andrew Krech, Investment Officer	Alternative Investments
Steven P. Kuettel, Investment Officer	Cash Mgmt. Services

Administrative Staff

Shirley Baribeau	Accounting Officer, Senior
Julie Grill	Accounting Officer, Intermediate
Kailee Kemp	Office Administrative Specialist
Kathy Leisz	Information Technology Specialist 2
Melissa Mader	Office Admin. Specialist, Intermediate
Wendy Murphy	Accounting Officer, Senior
William J. Nicol	Accounting Director

The Year in Review

Cumulative Growth of Capital Markets
Last Five Fiscal Years (2010 – 2014)



	Year Ending June 30					Annualized (1)
	2010	**2011**	**2012**	**2013**	**2014**	**2009 - 2014**
U.S. Stocks Russell 3000	15.7%	32.4%	3.8%	21.5%	25.2%	19.3%
U.S. Bonds Barclays Capital Aggregate Bond Index	9.5%	3.9%	7.5%	-0.7%	4.4%	4.9%
International Stocks MSCI All Country World Index Ex. USA (MSCI ACWI ex USA Net)	10.4%	29.7%	-14.6%	13.7%	21.7%	11.1%
Short-Term Investments 90 Day U.S. Treasury Bills	0.1%	0.1%	0.0%*	0.1%	0.1%	0.1%
Inflation Rate Change in Consumer Price Index (CPI)	1.1%	3.6%	1.7%	1.8%	2.1%	2.0%

(1) Annualized return is the annual compounded rate of return.

*Actual return is 0.04%

The Year in Review

How Have Stocks, Bonds And Other Investments Performed?

The U.S. stock market, as measured by the Russell 3000 index, increased 25.2% for the year ending June 30, 2014. Within the Russell 3000, large capitalization stocks outperformed shares of smaller stocks and growth companies led value companies. Technology was the best performing sector in the Russell 3000 with a 33.7% return while the Utilities sector was the worst performing sector with a 16.5% return.

The U.S. bond market, as measured by the Barclays Capital U.S. Aggregate Bond Index, returned 4.4% for the twelve months ending June 30, 2014. Within the bond market, U.S. Treasuries returned 2.0%, corporate bonds returned 7.7%, agency mortgage-backed securities returned 4.7%, commercial mortgage-backed securities returned 4.2%, asset-backed securities returned 1.8% and agency bonds returned 3.2%.

International equity markets returned 21.7% for the year in U.S. dollar terms, as measured by the Morgan Stanley Capital International All Country World Index excluding the United States net of taxes on dividends (MSCI ACWI ex. U.S. net), which represents the developed and emerging international markets outside the U.S. The MSCI World ex. U.S. Index net, which represents developed international markets, returned 23.8% for the year. The United Kingdom, Japan and Canada, which together comprise over 47% of the index, returned of 26.6%, 9.9% and 26.3%, respectively. The emerging markets, as measured by the MSCI Emerging Markets Free Index net, returned 14.3% for the year in U.S. dollar terms. China, Korea and Taiwan were the largest countries in the index at the end of the fiscal year with a combined weight of 46%. They returned 15.7%, 24.4% and 20.0%, respectively.

Volunteer Firefighter Account

The Volunteer Firefighter Account provides a balanced investment program. The objectives of the Account are to provide high returns from capital appreciation and current yield while reducing the chance for large temporary decreases in value. To achieve these objectives, the Account is invested in a mix of domestic equities, international equities, bonds and cash. The market value of the account is approximately $26.2 million.

While holdings vary day to day, the following is the targeted asset mix:

- 35% domestic stocks
- 15% international stocks
- 45% fixed income
- 5% cash

The domestic stock segment is passively managed to closely approximate the returns of the U.S. stock market as a whole as measured by the Russell 3000 index. The international stock segment is managed in a variety of styles and is invested primarily in large, developed international markets such as Japan, the United Kingdom, Canada, France, Germany and Australia, with a portion invested in developing countries, or emerging markets, in Asia, Latin America, Eastern Europe, the Middle East and Africa. The fixed income segment earns returns by investing in high-quality corporate bonds, mortgage securities and U.S. Government issues. The cash segment is invested in a short term fund of high-quality money market instruments.

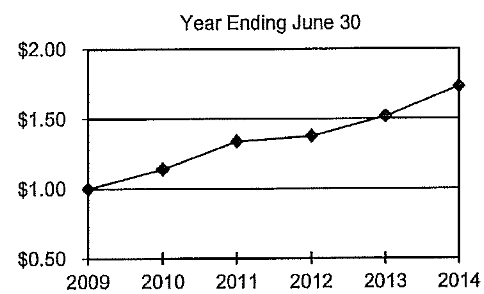
How Will This Account Perform Over Time?
The Volunteer Firefighter Account is a balanced or diversified investment program in one account. As with any investment program that includes stocks and bonds, the Account will provide returns that vary with changes in the market. Market value growth and dividend income from the domestic and international stock holdings can provide higher returns than bonds and cash investments. The international stock holdings add a measure of diversification to the domestic stock holdings as various international markets can perform differently. While returns on bonds are often lower than returns on stocks, the bond returns tend to be more stable and can provide some protection against wide swings in stock market returns.

Who Manages The Account?
See page 4 for a listing of these managers.

How Is The Value Of This Account Determined?
Participating entities own shares in the Account, much like you would in a mutual fund. The share value is determined daily and is based on the market value of the entire Account. Any dividend or interest income is reinvested in the Account at the time it is earned. Investment returns reflect all realized and unrealized gains and losses generated by the Account.

What Is The Past Investment Performance Of This Account?
The graph below shows how $1.00 would have grown over the past five years had it been invested in the Volunteer Firefighter Account. (Performance prior to FY2011 is estimated based on the targeted asset mix.)

The table displays the returns of the account over the past five years. (Performance prior to FY2011 is estimated based on the targeted asset mix.)



	Year Ending June 30 Share Value	Rate of Return
2010*	$9.90	14.0%
2011	11.63	17.5
2012	11.93	2.6
2013	13.17	10.4
2014	15.01	13.9

* FY2010 return is estimated based on the targeted asset allocation.

Note: Investment management fees are deducted before share values and rates of return are calculated.

For the 12 month period ending March 31, 2014, the investment management fees were approximately $0.10 per $100 invested.

The Minnesota Supplemental Investment Fund
is managed by the Minnesota State Board of Investment

Board Members:

Governor Mark Dayton
State Auditor Rebecca Otto
Secretary of State Mark Ritchie
Attorney General Lori Swanson

Executive Director and Chief Investment Officer:

Mansco Perry III

The table below lists prorated benefits based on a full, unreduced pension after 20 years:

Completed full years of good-time service credit	Percentage of the full service pension
5	40%
6	44%
7	48%
8	52%
9	56%
10	60%
11	64%
12	68%
13	72%
14	76%
15	80%
16	84%
17	88%
18	92%
19	96%
20 or more	100%

Transition Period

Because the Statewide Volunteer Firefighter Retirement Plan requires participants to have a minimum of five years of good-time service to be vested in the plan, special rules apply to firefighters who are vested in their relief association but not yet qualified under the SVFRP. Until an individual has five years under the SVFRP, any benefit due is based on the qualification rules and benefit level of the relief association at the time it joined the statewide plan. The same is true for firefighters who have already retired but have not yet collected a pension. Once a firefighter has earned five years of good-time service under the SVFRP, all future benefits are based on the level chosen by the participating department.

Advantages for Volunteer Departments

- Your department is relieved of its annual reporting and auditing requirements
- You transfer your plans administration headaches to PERA
- You use the investment expertise of the State Board of Investment (6% assumed earnings vs. your current 5%)
- The SVFRP offers comparable or higher benefits to your firefighters at the same cost to your municipality
- Benefits are portable between all plans covered by the SVFRP
- Your departments can concentrate on its first duty, protecting lives and property in your community

If you have any questions about the Statewide Volunteer Firefighters Retirement Plan, please write our office at:

PERA
60 Empire Drive, Suite 200
St. Paul, MN 55103

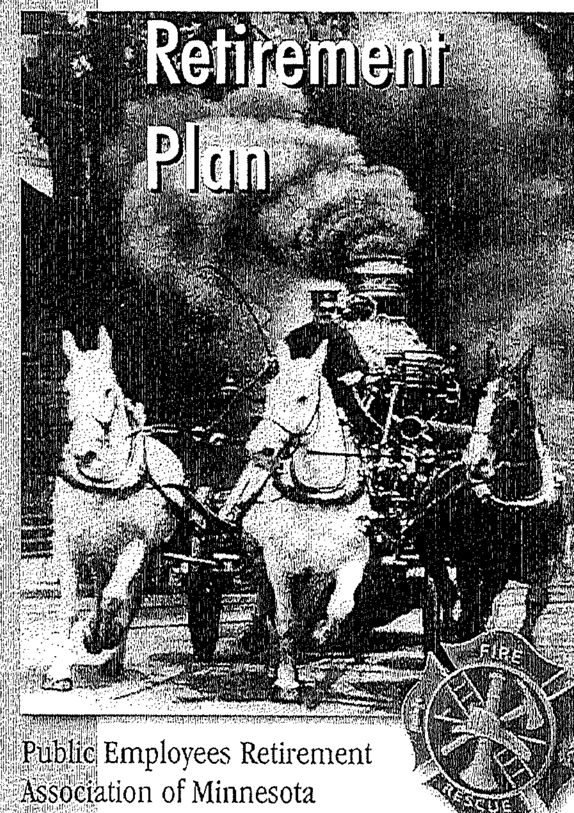
or call our toll-free number, 1 800 652-9026. Additional information on the SVFRP can be found at *www.mnpera.org*

This document is available in alternative formats to individuals with disabilities by calling 1 800 652-9026 or through the Minnesota Relay Service at 1 800 627-3529.

This pamphlet is meant to explain the Public Employees Retirement Association of Minnesota law as simply and accurately as possible. If there is any discrepancy between this publication and the actual law, the provisions of the law will govern.

January 2010

Statewide Volunteer Firefighter Retirement Plan



Public Employees Retirement Association of Minnesota

PERA Volunteer Firefighter Retirement Plan Cost Analysis--Estimates Only

Name of Entity: St Francis FD 7334-00
Calculation Date: 09/24/2015

Input:	
Est. Fire State Aid Amount:	32,750
Est.Current Value of Assets:	598,972
Number of Firefighters:	29
Benefit Level:	$ 3,100

Results:	
A. Benefit Level (per year of service):	$ 3,100
B. Estimated yearly normal cost:	$ 60,710
C. Estimated yearly admin expenses:	$ 870
D. Estimated beginning asset value:	$ 598,972
E. Estimated beginning liability:	$ 556,497
F. Estimated Deficit Amortization Pmt ((E-D)/10):	$ 0
G. Estimated Total Required Contribution (B+C+F):	$ 61,580
H. Estimated Investment Income (D x 6%):	$ 35,938
I. Estimated Fire State Aid (State Auditor Estimate):	$ 32,750
J. Estimated Municipal Required Contribution (G-H-I):	**$ 0**

Name	Status (Active or Deferred)	Estimated Birthdate (mm/dd/yyyy)	Fire Dept. Entry Date (mm/dd/yyyy)	Separation Date (If Deferred)	Ben Level at Separation (If Deferred)	Leaves of Absence (months)	Through 12/31/2016 Years of Service	Through 12/31/2016 Accrued Liability	Through 12/31/2017 Years of Service	Through 12/31/2017 Accrued Liability	Normal Cost (Change In Liability)
Thompson, Dan	Active		11/01/1990				26	$ 80,600	27	$ 83,700	$ 3,100
McDonough, Barry	Active		02/01/1996				21	$ 56,550	22	$ 61,357	$ 4,807
McDonough, Brian	Active		02/01/1996				21	$ 58,509	22	$ 63,483	$ 4,974
Strassburg, Samuel	Active		05/01/2000				17	$ 33,235	18	$ 36,407	$ 3,172
Herbst, Taylor	Active		05/01/2004			1	13	$ 20,600	14	$ 22,927	$ 2,327
McDonough, Jen	Active		09/01/2004				12	$ 28,443	13	$ 31,835	$ 3,393
Jorgenson, David	Active		11/01/2004			3	12	$ 28,443	13	$ 31,835	$ 3,393
Johnson, Carl	Active		09/19/2006				10	$ 22,223	11	$ 25,242	$ 3,019
Griego, Renee	Active		08/01/2008				8	$ 16,687	9	$ 19,374	$ 2,687
Robinette, Chris	Active		02/03/2010			12	6	$ 11,760	7	$ 14,152	$ 2,392
Bichler, George	Active		02/10/2010				7	$ 14,152	8	$ 16,687	$ 2,535
Bauer, Robert	Active		02/13/2010				7	$ 14,152	8	$ 16,687	$ 2,535
Faanes, Jon	Active		10/01/2010				6	$ 11,760	7	$ 14,152	$ 2,392
Everth, Harry	Active		10/01/2012				4	$ 7,376	5	$ 9,504	$ 2,129
Philips, Richard	Active		10/01/2012				4	$ 7,376	5	$ 9,504	$ 2,129
Sturzl, Evan	Active		10/01/2012				4	$ 7,376	5	$ 9,504	$ 2,129
Dehn, Ron	Active		08/01/2014				2	$ 3,473	3	$ 5,368	$ 1,894
Isum, Mark	Active		08/01/2014				2	$ 3,360	3	$ 5,192	$ 1,833
Wicks, Dylan	Active		08/01/2014				2	$ 2,810	3	$ 4,342	$ 1,533
Berglund, Nick	Separated/Not Vested		12/01/2010			4	6	$ 7,610	7	$ 9,158	$ 1,548
Louden, Bryant	Separated/Not Vested		02/02/2010				7	$ 14,152	8	$ 16,687	$ 2,535
Sawyer, Jesse	Separated/Not Vested		10/01/2012				4	$ 7,376	5	$ 9,504	$ 2,129
Vmk, Chris	Separated/Not Vested		10/01/2012				4	$ 7,376	5	$ 9,504	$ 2,129
Homan, Craig	Deferred		09/01/1991	06/01/2006	$ 1,500.00		15	$ 16,815	15	$ 16,815	$ -
Kelly, Brigit	Deferred		08/01/2001	05/29/2012	$ 2,100.00		11	$ 14,336	11	$ 14,336	$ -
Swenson, Kimberly	Deferred		05/01/2003	11/03/2013	$ 2,100.00	0	11	$ 13,230	11	$ 13,230	$ -
Torkelson, Allan	Deferred		07/01/1988	07/01/2000	$ 1,000.00		12	$ 8,160	12	$ 8,160	$ -
Vangelof, Dimitrios	Deferred		01/01/1994	09/25/2013	$ 2,100.00	39	17	$ 28,959	17	$ 28,959	$
Watson, Scott	Deferred		02/01/1988	06/01/2001	$ 1,000.00		13	$ 9,600	13	$ 9,600	$
							0	$ -	0	$ -	$ -
							0	$ -	0	$ -	$ -
							0	$ -	0	$ -	$ -
							0	$ -	0	$ -	$ -
								$ 556,497		$ 617,207	$ 60,710

AGENDA REPORT

TO: City Administrator Joe Kohlmann
FROM: St. Francis Fire Dept. Relief Assoc.
SUBJECT: Relief Association Benefit Increase
DATE: 12/07/15

INTRODUCTION

Saint Francis Fire Department Relief Association has passed an increase in their retirement benefit level from the current $2100.00 per year to $3100.00 per year of service

BACKGROUND

Last increase received was in 2007

RECOMMENDATION

For city council to change Bylaws to $3100.00 per year of service

BUDGET IMPACT

None

Attachments:
1. Resolution 2015-70 File 3100

CITY OF ST. FRANCIS
ST. FRANCIS, MN
ANOKA COUNTY

RESOLUTION 2015-70

A RESOLUTION AMENDING THE ST. FRANCIS FIRE DEPARTMENT RELIEF ASSOCIATION RETIREMENT PLAN

WHEREAS, the St. Francis City Council adopted the Revised St. Francis Fire Department Relief Association Bylaws on December 07, 2015 except for the portion relating to the retirement plan, and

WHEREAS, the St. Francis Fire Department Relief Association provided further justification for the increase in the Defined Benefit Lump Sum Retirement Plan from $2,100 to $3,100 for each year of service,

NOW, THEREFORE, BE IT RESOLVED the City of St. Francis City Council adopted the Revised St. Francis Fire Department Relief Association Bylaws on December 07, 2015 include the Defined Benefit Lump Sum Retirement Plan of $3,100 per year of service.

ADOPTED BT THE CITY COUNCIL OF THE CITY OF ST. FRANCIS THIS 7th DAY OF DECEMBER, 2015

APPROVED:

ATTEST:

____
Steve Kane, Mayor

____
Barbara I. Held, City Clerk

AGENDA REPORT

TO: City Administrator Joe Kohlmann

FROM: St. Francis Fire Dept. Relief Assoc.

SUBJECT: Relief Association Transition to PERA

DATE: 12/07/15

INTRODUCTION

Request to move Investment monies from Ameriprise Financial to Public Employees Retirement Association aka (PERA)

BACKGROUND

The SFFD Relief Association currently handles its own relief money through an Investment company

RECOMMENDATION

To allow the Saint Francis Fire Department Relief Association to be able to move it's investment money to PERA

BUDGET IMPACT

None

Attachments:

1. Resolution 2015-71 File 2015pera
2. Investment Information

CITY OF ST. FRANCIS
ST. FRANCIS, MN
ANOKA COUNTY

RESOLUTION 2015-71

A RESOLUTION TO THE ST. FRANCIS FIRE DEPARTMENT RELIEF ASSOCIATION RETIREMENT PLAN

WHEREAS, the St. Francis City Council adopted the Revised St. Francis Fire Department Relief Association Bylaws on December 07, 2015 except for the portion relating to the adoption of the Public Employees Retirement Association of Minnesota plan, and

WHEREAS, the St. Francis Fire Department Relief Association provided further justification to move monies from the investment fund to the Public Employees Retirement Association of Minnesota plan,

NOW, THEREFORE, BE IT RESOLVED the City of St. Francis City Council adopted the Revised St. Francis Fire Department Relief Association Bylaws on December 07, 2015 include the Public Employees Retirement Association of Minnesota plan.

ADOPTED BT THE CITY COUNCIL OF THE CITY OF ST. FRANCIS THIS 7th DAY OF DECEMBER, 2015

APPROVED:

ATTEST:

____
Steve Kane, Mayor

____
Barbara I. Held, City Clerk

AGENDA REPORT

TO: City Administrator Joe Kohlmann

FROM: St. Francis Fire Dept. Relief Assoc.

SUBJECT: Relief Association Employee Vesting

DATE: 12/07/15

INTRODUCTION

Request to move vesting to 5 years starting at 40%

BACKGROUND

Current vesting starts at 10 years starting at 60%

RECOMMENDATION

We would like the 10 year vesting starting at 60% with 4% increments per year, moved to 5 years vesting starting at 40% with 4% increments per year. This would line up with PERA guidelines

BUDGET IMPACT

None

Attachments:

1. Resolution 2015-72 File article III
2. Vesting summery sheet

CITY OF ST. FRANCIS
ST. FRANCIS, MN
ANOKA COUNTY

RESOLUTION 2015-72

A RESOLUTION AMENDING THE ST. FRANCIS FIRE DEPARTMENT RELIEF ASSOCIATION ARTICLE III VESTING

WHEREAS, the St. Francis City Council adopted the Revised St. Francis Fire Department Relief Association Bylaws on December 07, 2015 except for the portion relating to ARTICLE III, and

WHEREAS, the St. Francis Fire Department Relief Association provided further justification to make changes to Article III, Vesting at 40% after 5 years of service,

NOW, THEREFORE, BE IT RESOLVED the City of St. Francis City Council adopted the Revised St. Francis Fire Department Relief Association Bylaws on December 07, 2015 include Article III Vesting at 5 years of service.

3.1 Full Vesting of Accrued Benefit. A participant shall have a fully vested and non-forfeitable interest in the Participant's Accrued Benefit upon completion of 20 Years of Active Service.

3.2 Partial Vesting of Accrued Benefit. The following vesting schedule shall apply to a Participant with fewer than 20 Years of Active Service:

Years of Active Service	Vested Percentage
05 but less than 06	40%
06 but less than 07	44%
07 but less than 08	48%
08 but less than 09	52%
09 but less than 10	56%
10 but less than 11	60%
11 but less than 12	64%
12 but less than 13	68%
13 but less than 14	72%
14 but less than 15	76%
15 but less than 16	80%
16 but less than 17	84%
17 but less than 18	88%
18 but less than 19	92%
19 but less than 20	96%
20 or more	100%

3.3 Determining Years of Active Service for Vesting. All Years of Active Service shall be taken into account for purposes of determining a Participant's vested Accrued Benefit, including Years of Active Service with the Fire Department prior to the Effective Date.

3.4 Forfeiture of Accrued Benefit. In the event a Participant with an Accrued Benefit that is 0% vested (a) ceases Active Service with the Fire Department, and (b) is not eligible for a Retirement Benefit or Disability Benefit, the Participant will be deemed to have received a distribution of the Participant's entire Accrued Benefit and shall forfeit such Accrued Benefit when the Participant has not been credited with any Active Service with the Fire Department for a period not shorter than five years.

ADOPTED BT THE CITY COUNCIL OF THE CITY OF ST. FRANCIS THIS 7th DAY OF DECEMBER, 2015

APPROVED:

ATTEST:

____
Steve Kane, Mayor

____
Barbara I. Held, City Clerk

AGENDA REPORT

TO: City Administrator Joe Kohlmann

FROM: St. Francis Fire Dept. Relief Assoc.

SUBJECT: Relief Association Contribution

DATE: 12/07/15

INTRODUCTION

The Relief Association would like the city to start contributing to the relief investment fund.

BACKGROUND

Approximately 6 years ago the city discontinued contributing to the relief investment fund.

RECOMMENDATION

Start contributing $500.00 per employee per year to go towards the relief investment fund.

BUDGET IMPACT

If the fire department had 25 firefighters, the cities cost would be $12,500 per year.
This is an unbudgeted expenditure for 2016

Attachments:

Resolution 2015-73 File 2015 500

CITY OF ST. FRANCIS
ST. FRANCIS, MN
ANOKA COUNTY

RESOLUTION 2015-73

A RESOLUTION TO THE ST. FRANCIS FIRE DEPARTMENT RELIEF ASSOCIATION CONTRIBUTION PLAN

WHEREAS, the St. Francis City Council adopted the Revised St. Francis Fire Department Relief Association Bylaws on December 07, 2015 except for the portion relating to the contribution plan, and

WHEREAS, the St. Francis Fire Department Relief Association provided further justification for the increase in the Annual contribution of $500.00 per year per fire Fighter in good standing,

NOW, THEREFORE, BE IT RESOLVED the City of St. Francis City Council adopted the Revised St. Francis Fire Department Relief Association Bylaws on December 07, 2015 include the Contribution Plan of $500 per year per fire fighter in good standing.

ADOPTED BT THE CITY COUNCIL OF THE CITY OF ST. FRANCIS THIS 7th DAY OF DECEMBER, 2015

APPROVED:

ATTEST:

Steve Kane, Mayor

Barbara I. Held, City Clerk