

GRFD FRA REQUEST TO INCREASE BENEFIT LEVEL

TRAVIS COLE, FIRE CHIEF; LANCE KUSCHEL, PRESIDENT; WILL RICHTER, TREASURER



GRAND RAPIDS FIRE RELIEF ASSOCIATION

- **PARTICIPANT IN THE STATEWIDE VOLUNTEER FIREFIGHTER PLAN (SVF) ADMINISTERED BY PERA ACCORDING TO MINNESOTA STATUTES 353G**
- **GRFRA IS THRIVING UNDER PERA MANAGEMENT – GROWING FUND AND LOWER EXPENSES**
- **BENEFIT INCREASES REQUIRE THE CITY COUNCIL AND FIRE DEPARTMENT MEMBERSHIP TO PASS RESOLUTIONS AUTHORIZING A BENEFIT INCREASE**

WHAT IS SVF PERA?

- **STATEWIDE VOLUNTEER FIREFIGHTER PLAN (SVF) ADMINISTERED BY PERA ACCORDING TO MINNESOTA STATUTES 353G**
- **STATE BOARD OF INVESTMENT MANAGES THE FUNDS**
- **PUBLIC EMPLOYEE RETIREMENT ASSOCIATION PROVIDES ADMINISTRATION**

HOW THE RELIEF ASSOCIATION IS FUNDED

- **\$5,000 CONTRIBUTION FROM CITY OF GRAND RAPIDS**
- **2% MONIES COLLECTED ON INSURANCE PREMIUMS BY THE STATE OF MINNESOTA - \$191,000**
- **THE RELIEF ASSOCIATION FUND IS \$4.8 MILLION AS OF NOVEMBER 2025**

Cost Impact of Increase in Benefit Level

Benefit Level	\$9,500 (Current)	2025		
		\$9,600	\$9,700	\$10,500
1. Determination of Surplus / (Deficit)				
a. Projected Assets	\$ 4,513,337	\$ 4,513,337	\$ 4,513,337	\$ 4,513,337
b. Accrued Liability	3,664,618	3,691,669	3,718,719	3,935,125
2. Surplus / (Deficit) [1a-1b]	\$ 848,719	\$ 821,668	\$ 794,618	\$ 578,212
3. Funded Ratio [1a/1b]	123.16%	122.26%	121.37%	114.69%
4. Financial Requirement Charges				
a. Increase/(Decrease) in liability	\$ 364,161	\$ 367,330	\$ 370,500	\$ 395,853
b. Administrative Fees	2,460	2,460	2,460	2,460
c. One-Tenth of Deficit / (Surplus)^	0	0	0	0
d. Net Financial Requirement Charge [4a+4b+4c, not less than zero]	\$ 366,621	\$ 369,790	\$ 372,960	\$ 398,313
5. Financial Requirement Credits				
a. Fire State Aid Current Year x 1.035	\$ (151,809)	\$ (151,809)	\$ (151,809)	\$ (151,809)
b. Supplemental State Aid Current Year	(22,351)	(22,351)	(22,351)	(22,351)
c. 6% interest on Projected Present Assets	(270,800)	(270,800)	(270,800)	(270,800)
d. Net Financial Requirement Credit [5a+5b+5c]	\$ (444,960)	\$ (444,960)	\$ (444,960)	\$ (444,960)
6. Required Contribution [4d+5d, not less than zero]	\$ 0	\$ 0	\$ 0	\$ 0

^ Zero if the plan has had a surplus for only one year.

REQUEST FOR BENEFIT INCREASE

- **ASKING THE CITY COUNCIL TO APPROVE A \$500 BENEFIT LEVEL INCREASE**
- **REVENUES INTO THE FUND ARE GROWING / EXPENSES SIGNIFICANTLY DECREASED**
- **FUND RETAINS A 20% CUSHION**