



CITY OF MARSHALL AGENDA ITEM REPORT

Meeting Date:	Monday, August 29, 2022
Category:	NEW BUSINESS
Type:	INFO/ACTION
Subject:	Marshall Fire Department Relief Association Benefit level increase request.

Background Information:	<p>The Marshall Fire Department Relief Associations’ current annual benefit level is \$5,807. The maximum benefit level allowed per our 2022 schedules is \$6,200. Our last benefit level increase was January 1st, 2017. This would be a 6.8% increase since 2017 or an approximate 1.1% annual increase.</p> <p>We have attached the schedule for 2023 that has already been submitted to the state auditor’s office, along with three different scenarios for years 2 and 3. The three scenarios assume a negative 5% return, 0% return, and our current inception date return of approximately 4.5%. All three scenarios assume a benefit level increase to \$6,200 with a \$0 contribution from the City of Marshall. We have also included our investment portfolio returns since 2/1/2001.</p> <p>Below is a list of comparable cities and their benefit levels, from the 2021 State Auditor’s report:</p> <ul style="list-style-type: none"> • Northfield - \$10,000 • Owatonna - \$7,500 • New Ulm - \$5,000 + a monthly benefit • Willmar - \$5,000 + PERA • Waseca - \$4,300 • Fairmont - \$3,800 + a monthly benefit • Hutchinson - \$3,660 + a monthly benefit • North Mankato - \$3,500 • St. Peter - \$3,000 • Worthington - \$2,921 + a monthly benefit • Albert Lea - \$2,500 + PERA • Faribault – Unknown, couldn’t find it. <p>Below shows the contributions from the City of Marshall to the fund over the past 10 years:</p> <ul style="list-style-type: none"> • 2021 - \$0 • 2020 - \$0 • 2019 - \$0 • 2018 - \$1,654 • 2017 - \$48,227 • 2016 - \$21,501 • 2015 - \$0 • 2014 - \$74,507 • 2013 - \$100,397 • 2012 - \$99,647
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Fiscal Impact:	\$0
Alternative/ Variations:	None
Recommendations:	To approve the benefit level to \$6,200 from \$5,807 starting January 1, 2023.