



## Executive Summary

### City Council Workshop

<b>AGENDA ITEM:</b> Fire Pension Discussion
<b>PREPARED BY:</b> Jacob Schillander, City Administrator
<b>RECOMMENDED ACTION:</b> Discussion & Direction

#### Summary:

When PERA provided estimated payouts for the Statewide Volunteer Firefighter (SVF) Plan, it was discovered that members under age 50 would face a 6% reduction for each year below 50. Fire Department members were unaware of this provision, and because the department is consolidating, they will not have the option to leave funds in the plan until reaching age 50. This results in payouts being less than the expected calculation of years of service multiplied by the current benefit level of \$4,300, creating an excess that would then be redistributed to members over 50. After multiple meetings with PERA and the Executive Director of Investments and Pensions, the recommended course of action is to appeal the existing resolution to stop termination and payouts. In the first quarter of next year, a new resolution would be introduced, working jointly with the Fire Relief Association, to terminate the SVF plan and return funds to the Fire Relief, which would then determine the method of distribution.

I am seeing council direction, as I would like to have this resolution appealed at the December 15<sup>th</sup> Council Business Meeting.