



## Executive Summary

### City Council Workshop

**AGENDA ITEM:** Fire Relief Pension SF 3828 & HF 3512

**PREPARED BY:** Jacob Schillander, City Administrator

**RECOMMENDED ACTION: Discussion & Direction**

#### Summary:

As previously discussed, the City of Maple Plain supported special legislation to ensure an equitable distribution of remaining assets of the former Maple Plain Fire Relief Association following termination of participation in the PERA Statewide Volunteer Firefighter Plan. That legislation is now before the Legislature as SF 3828 / HF 3512, and it reflects the same policy outcome Council previously agreed to support.

#### What Council Already Supported

Council's support was based on a clear and limited objective:

- Firefighters should receive the benefit they reasonably believed they earned through years of service;
- No additional state or City funding would be required; and
- Existing surplus assets should be allocated equitably, particularly to address unintended reductions affecting younger firefighters.

That objective remains unchanged.

#### What Has Been Clarified

As the bill has advanced, questions arose regarding *who* would administer the final distribution of assets and *how* that distribution would occur. In response, the anticipated administrative approach has been clarified to reduce risk and avoid discretionary decision-making by any single entity.

Under the clarified framework now being discussed:

- The State Board of Investment (SBI) would distribute the funds upon enactment of the bill.
- PERA and the City would jointly prepare a distribution schedule that identifies the amounts payable to each firefighter.
- Those calculations would be strictly governed by the bill itself:

- PERA would calculate accrued benefits using the required present-value methodology;
- The surplus allocation would be applied exactly as directed in the legislation.
- Neither the City nor PERA would have discretion to alter benefit formulas or make policy decisions.

In effect, the City's role would be administrative, limited to working with PERA to ensure the calculations follow the statute exactly.

### **City Risk Considerations**

Under this approach, the City would not be making subjective determinations or exercising discretion over benefit levels. The City's exposure would be limited to ensuring accurate calculations consistent with the law, like many other administrative functions regularly performed by the City.

This structure preserves the outcome Council supported, while responding to administrative and legal concerns raised during the legislative process.

### **Why Council Direction Is Needed Now**

Council previously indicated it wished to see whether special legislation moved forward and return at that point for confirmation. That point has now been reached.

Staff are requesting confirmation that:

- Council continues to support SF 3828 / HF 3512; and
- Council is comfortable with the clarified administrative framework for implementing the bill, should it become law.

Council direction will allow staff to proceed consistently and communicate the City's position clearly as the bill continues through the legislative process.