

TO: Kate Thunstrom- City Administrator
FROM: Dave Schmidt- Fire Chief
SUBJECT: Resolution of PERA-SVF Pension Transfer to the Rum River Fire District
DATE: December 15, 2025

OVERVIEW:

The purpose of this agenda item is to request formal City Council approval to transfer the administration of the City of St. Francis's PERA–Statewide Volunteer Firefighter (SVF) pension plan to the Rum River Fire District, effective January 1, 2026. This action is required as part of the organizational transition from the St. Francis Fire Department into the newly formed Rum River Fire District.

BACKGROUND

The Rum River Fire District Joint Powers Entity (JPE) will assume responsibility for providing fire protection services to the Cities of St. Francis and Bethel beginning January 1, 2026. As a component of this transition, all pension-related responsibilities for volunteer/paid-on-call firefighters must transfer from the City of St. Francis to the Rum River Fire District.

The City of St. Francis currently participates in the Public Employees Retirement Association – Statewide Volunteer Firefighter (PERA-SVF) Plan. This plan provides lump-sum pension benefits for eligible firefighters based on years of service. In preparation for the new district's launch:

- PERA has issued the required forms for transferring plan administration to the Rum River Fire District.
- The district will maintain the current benefit level of \$4,800 per year of service for 2026.
- All eligible members will continue accruing service credit without interruption.
- All pension assets, obligations, and administrative duties will be transferred to the district upon approval.

Both the PERA statutes and the JPE agreement require the governing body of the originating entity (City of St. Francis) to approve the transfer of pension responsibility.

ACTION TO BE CONSIDERED:

Resolution to approve the transfer of the City of St. Francis PERA–Statewide Volunteer Firefighter (SVF) pension plan, including all assets, liabilities, and administrative responsibilities, to the Rum River Fire District effective January 1, 2026

BUDGET IMPLICATION:

There is no direct financial impact to the City of St. Francis at the time of transfer. All pension liabilities and future administrative responsibilities will reside with the Rum River Fire District. The City's historical contributions and fund balances will move with the plan.

Attachments:

- Resolution 2025-60 Opting to transfer records, assets, and liabilities from City of St. Francis Fire Department to Rum River Fire District