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State of Minnesota
HOUSE OF REPRESENTATIVES

EIGHTY-NINTH SESSION

H. F. No. 41

01/08/2015 Authored by Hausman and Isaacson

The bill was read for the first time and referred to the Committee on Government Operations and Elections Policy

1.1 A bill for an act
1.2 relating to retirement; providing for options for the governance and
1.3 administration of the Roseville Volunteer Firefighters Relief Association.

1.4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.5 Section 1. **ROSEVILLE VOLUNTEER FIREFIGHTERS RELIEF**
1.6 **ASSOCIATION; GOVERNANCE AND ADMINISTRATION.**

1.7 Subdivision 1. Retiree board of trustees representation. (a) Notwithstanding
1.8 any provision of Minnesota Statutes, section 424A.04, subdivision 1, to the contrary
1.9 the membership of the board of trustees of the Roseville Volunteer Firefighters Relief
1.10 Association (RVFRA) is as provided in paragraph (b), with the additional membership of
1.11 the chief of the fire department, one elected Roseville municipal official, and one elected
1.12 or appointed Roseville municipal official appointed by the Roseville City Council if:

1.13 (1) all service pensions and survivor benefits have not been annuitized as provided
1.14 under Minnesota Statutes, section 424A.015, subdivision 3; and

1.15 (2) the RVFRA is administered by a governing board and not by the Public
1.16 Employees Retirement Association (PERA) as provided in subdivision 2.

1.17 (b)(1) Beginning the day following the effective date of this section, the RVFRA
1.18 board of trustees shall consist of three active Roseville firefighters elected from the
1.19 membership of the RVFRA and three retired members of the RVFRA elected from the
1.20 membership of the relief association.

1.21 (2) Beginning on the January 1 next following the date on which the number of active
1.22 Roseville firefighters who are members of the RVFRA totals 25 or less, the RVFRA board of
1.23 trustees shall consist of two active firefighters elected from the membership of the RVFRA,
1.24 and four retired members of the RVFRA elected from the membership of the RVFRA.

2.1 (3) Beginning on the January 1 next following the date on which the number of
2.2 active Roseville firefighters who are members of the RVFRA totals ten or less, the RVFRA
2.3 board of trustees shall consist of one active firefighter elected from the membership of
2.4 the RVFRA, and five retired members of the RVFRA elected from the membership of the
2.5 RVFRA.

2.6 (4) Beginning on the January 1 next following the date on which there are no active
2.7 Roseville firefighters who are members of the RVFRA, the RVFRA board of trustees shall
2.8 consist of six retired members of the RVFRA elected from the membership of the RVFRA.

2.9 **Subd. 2. Option for administration by Public Employees Retirement**

2.10 **Association.** (a) The Roseville Volunteer Firefighters Relief Association (RVFRA), by a
2.11 majority vote of its board of trustees and with the approval of the decision by the Roseville
2.12 City Council, may transfer the administration of the RVFRA to the board of trustees of
2.13 the Public Employees Retirement Association (PERA).

2.14 (b) If the transfer decision under paragraph (a) is made and approved, on the next
2.15 succeeding January 1, the governance and the administration of the RVFRA becomes the
2.16 responsibility of the board of trustees and the executive director of PERA. The secretary
2.17 of the RVFRA also shall transfer the records of the RVFRA to the executive director of
2.18 PERA. The legal title of the assets of the former RVFRA transfer to the State Board of
2.19 Investment as of the December 31 preceding the governance and administration transfer,
2.20 with the beneficial title to the assets remaining with the annuitants and benefit recipients of
2.21 the former RVFRA, and with the assets invested in the volunteer firefighter account in the
2.22 Minnesota supplemental investment fund unless the State Board of Investment determines
2.23 that investment in another account or in a combination of accounts in the Minnesota
2.24 supplemental investment fund is more appropriate. No increase in the service pension or
2.25 survivor benefit amount of the former RVFRA may be implemented by PERA without the
2.26 approval of the city of Roseville made following the receipt of an actuarial cost estimate
2.27 for the change prepared by the approved actuary retained by PERA under Minnesota
2.28 Statutes, section 356.214, and prepared under the applicable provisions of Minnesota
2.29 Statutes, sections 356.215 and 356.216, and the standards for actuarial work approved by
2.30 the Legislative Commission on Pensions and Retirement. The actuary retained by PERA
2.31 shall periodically prepare actuarial valuations under Minnesota Statutes, sections 356.215
2.32 and 356.216, for the former RVFRA as of December 31 as required by generally accepted
2.33 public sector accounting principles. The city of Roseville shall provide the funding
2.34 requirements of the former RVFRA disclosed in the most recent actuarial valuation as
2.35 certified by the executive director of PERA and the funding of the former RVFRA is
2.36 governed by Minnesota Statutes, section 353.27.

3.1 (c) The necessary and reasonable expenses of PERA to administer the former
3.2 RVFRA must be paid from the assets of the former relief association.

3.3 (d) Upon the transfer under this subdivision, the RVFRA ceases as a Minnesota
3.4 nonprofit corporation, and PERA is the successor in interest to the former RVFRA in the
3.5 same manner as provided in Minnesota Statutes, section 353G.06, subdivision 3.

3.6 (e) Copies of the transfer approval documents must be filed with the secretary of
3.7 state, the state auditor, and the executive director of PERA. The approval and filing of the
3.8 approval documents must be completed before September 1 of the year the transfer occurs.

3.9 Subd. 3. **Disposition of remaining assets when obligations are paid.** Whether
3.10 self-administered or administered by PERA, upon the death of the last benefit recipient
3.11 and the last potential surviving spouse of the last benefit recipient, the remaining assets of
3.12 the RVFRA or the former RVFRA cancel to the city treasury of the city of Roseville.

3.13 **EFFECTIVE DATE; LOCAL APPROVAL.** This section is effective the day after
3.14 the city council of Roseville and its chief clerical officer timely complete their compliance
3.15 with Minnesota Statutes, section 645.021, subdivisions 2 and 3.