



AGENDA ITEM #7.1

REPORT TO CITY COUNCIL

Report Prepared by: Nancy Malecha

Date: September 6, 2016

Subject: Fire Relief Benefit Level Increase

Report: The Fire Relief Association is requesting a benefit level increase from \$3,700 to \$3,900 per year of service. Representatives from the Fire Relief Association will present this item to the Council.

Council Action Requested: The Fire Relief Association is requesting the Council to ratify its request to increase the benefit level to \$3,900.

OFFICE OF THE STATE AUDITOR

2016 Maximum Benefit Worksheet

	A	B	C	D	E
	Fire State Aid and Supplemental State Aid	Municipal Contribution	10% of Surplus *	Active Members in Relief Association	Per Year Average [(A + B + C) / D]
	(From FIRE-15)	(From FIRE-15)	(SC-15 or Actuarial)	(From FIRE-15)	
2015	48,306	47,895	34,442	29	4,505
	(From RF-14)	(From RF-14)	(SC-14 or Actuarial)	(From RF-14)	
2014	45,390	46,629	27,894	31	3,868
	(From RF-13)	(From RF-13)	(SC-13 or Actuarial)	(From RF-13)	
2013	47,129	46,046	14,279	26	4,133

* If deficit for the year, leave blank.

Average available financing per active member for the most recent 3-year period:
(sum of column E divided by 3)

4,169

Maximum Lump Sum Benefit Level under Minn. Stat. § 424A.02, subd. 3

7,700

OFFICE OF THE STATE AUDITOR

	2016	2017	
Total Active Member Liabilities	1,263,678	1,370,616	
Total Deferred Member Liabilities	62,649	62,649	
Total Unpaid Installments	0	0	
Grand Total Special Fund Liability	A. 1,326,327	B. 1,433,265	
Normal Cost (Cell B minus Cell A)			C. 106,938

Projection of Net Assets for Year Ending December 31, 2016

Special Fund Assets at December 31, 2015 (FIRE-15 Form ending assets) 1

Projected Income for 2016

Fire State Aid (2015 fire state aid of \$38,810 may be increased by up to 3.5%)	D.	<input type="text" value="38,810"/>	
Supplemental State Aid (actual 2015 supplemental state aid)	E.	<input type="text" value="9,496"/>	
Municipal / Independent Fire Dept. Contributions	F.	<input type="text" value="46,000"/>	
Interest / Dividends	G.	<input type="text" value="8,000"/>	
Appreciation / (Depreciation)	H.	<input type="text"/>	
Member Dues	I.	<input type="text"/>	
Other Revenues	J.	<input type="text"/>	
Total Projected Income for 2016 (Add Lines D through J)			2 <input type="text" value="102,306"/>

Projected Expenses for 2016

Service Pensions (fill in individual pension amounts below) K.

Names:	\$ Amounts:
<input type="text"/>	<input type="text"/>

Other Benefits L.
 Administrative Expenses M.

Total Projected Expenses for 2016 (Add Lines K through M) 3

Projected Net Assets at December 31, 2016 (Add Lines 1 and 2, subtract Line 3) 4

Projection of Surplus or (Deficit) as of December 31, 2016

Projected Assets (Line 4)	5	<input type="text" value="1,519,113"/>
2016 Accrued Liability (Page 4, cell A)	6	<input type="text" value="1,326,327"/>
Surplus or (Deficit) (Line 5 minus Line 6)	7	<input type="text" value="192,786"/>

OFFICE OF THE STATE AUDITOR
Calculation of Required Contribution

Deficit Information - Original			Deficit Information - Adjusted		
Year Incurred	Original Amount	Amount Retired as of 12/31/2015	Original Amount	Amount Retired as of 12/31/2016	Amount Left to Retire 1/1/2017
2007	0	0			
2008	0	0			
2009	0	0			
2010	0	0			
2011	0	0			
2012	0	0			
2013	0	0			
2014	0	0			
2015	0	0			
2016					
Totals			0		0

Normal Cost	8	106,938
Projected Administrative Expense	9	0
Amortization of Deficit (Total of Original Amount column x 0.10)	10	0
10% of Surplus	11	19,279
Fire and Supplemental State Aid	12	48,306
Member Dues	13	0
5% of Projected Assets at December 31, 2016	14	75,956
Required Contribution (Add Lines 8, 9 and 10, subtract Lines 11, 12, 13 and 14. If negative, zero is displayed.)	15	0

No required contribution due in 2017.