



AGENDA ITEM #7.1

REPORT TO CITY COUNCIL

Report Prepared by: Nancy Malecha

Date: June 4, 2019

Subject: Fire Relief Benefit Level Increase

Report: The Fire Relief Association is requesting a benefit level increase from \$4,250 to \$4,700 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 ratify their request to increase the benefit level to \$4,700.

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Financial Projections

	2018	2019	
Total Active Member Liabilities	1,328,975	1,433,355	
Total Deferred Member Liabilities	89,839	89,839	
Total Unpaid Installments	0	0	
Grand Total Special Fund Liability	A. 1,418,814	B. 1,523,194	
Normal Cost (Cell B minus Cell A)			C. 104,380

Projection of Net Assets for Year Ending December 31, 2018

Special Fund Assets at December 31, 2017 (FIRE-17 Form ending assets) 1

Projected Income for 2018

Fire State Aid (2017 fire state aid of \$39,660 may be increased by up to 3.5%)	D.	39,660	
Supplemental State Aid (actual 2017 supplemental state aid)	E.	9,597	
Municipal / Independent Fire Dept. Contributions	F.	54,033	
Interest / Dividends	G.	7,730	
Appreciation / (Depreciation)	H.	0	
Member Dues	I.	0	
Other Revenues	J.	0	
Total Projected Income for 2018 (Add Lines D through J)			2 <input type="text" value="111,020"/>

Projected Expenses for 2018

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

Names:	\$ Amounts:

Other Benefits L.
 Administrative Expenses M.

Total Projected Expenses for 2018 (Add Lines K through M) 3

Projected Net Assets at December 31, 2018 (Add Lines 1 and 2, subtract Line 3) 4

Projection of Surplus or (Deficit) as of December 31, 2018

Projected Assets (Line 4)	5	1,745,390
2018 Accrued Liability (Page 4, cell A)	6	1,418,814
Surplus or (Deficit) (Line 5 minus Line 6)	7	326,576

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Calculation of Required Contribution

Deficit Information - Original			Deficit Information - Adjusted		
Year Incurred	Original Amount	Amount Retired as of 12/31/2017	Original Amount	Amount Retired as of 12/31/2018	Amount Left to Retire 1/1/2019
2009		0			
2010	0	0			
2011	0	0			
2012	0	0			
2013	0	0			
2014	0	0			
2015	0	0			
2016	0	0			
2017	0	0			
2018					
Totals			0		0

Normal Cost	8	104,380
Projected Administrative Expense	9	0
Amortization of Deficit (Total of Original Amount column x 0.10)	10	0
10% of Surplus	11	32,658
Fire and Supplemental State Aid	12	49,257
Member Dues	13	0
5% of Projected Assets at December 31, 2018	14	87,270
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 2019.

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2018 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-17)	(From FIRE-17)	(From SC-17)	(From FIRE-17)	
2017	49,257	54,033	20,109	29	4,255
	(From FIRE-16)	(From FIRE-16)	(From SC-16)	(From FIRE-16)	
2016	49,001	51,310	19,263	26	4,599
	(From RF-15)	(From RF-15)	(From SC-15)	(From RF-15)	
2015	48,306	47,895	28,854	29	4,312

* 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)

4,389

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

8,100
