

Volunteer Firemen's Subcommittee Meeting
Tuesday, September 24, 1974
Arrowood Lodge, Alexandria, Minnesota
1:30 P.M.

The chairman, Al Patton, called the meeting to order.

The following subcommittee members were present: Al Patton, Donald Moe, Mel Hansen, Calvin Larson

Also: Paul Hanson, Mayor of Clarks Grove, Minnesota
M. C. Dipple, Mayor of Hallock, Minnesota
H. Henry Southworth, Mayor of Paynesville
Dean Lund, Exec. Dir. of the League of Minn. Municipalities

Gus Welter, Secretary MSFDA, Bloomington
Ray Shortridge, Pres. MSFDA, Brainerd
Larry Henle, Fire Chief, Marshall
Norval Schmandke, Fire Chief, Waconia

The chairman introduced the members of the committees. The chairman explained that the meeting was called to determine whether or not there is a problem with the volunteer firemen's relief associations, and if so, how is it to be solved.

Mr. Mandeville went over a memo re "Possible Discussion Points for Initial Meeting." Discussion followed.

Mr. Welter read the following proposals which were presented to the LRSC on 2/20/70:

1. "Guarantee that every department or association which receives part of the 2% insurance tax will also receive a minimum of 1/2 mill from property taxes, which may be increased to 4 mills, on all property which is protected by the department, with an enforceable penalty for non compliance.
2. "Contain a formula under which lump sum pensions could be funded for and paid without requiring an actuarial survey.
3. "Provide that any plan under which monthly or other regular payments for retirement or disability pensions will be made must be actuarially sound and brought up to date at least every 5 years, and allow a reasonable time in which to retire any unfunded accrued liability.
4. "Provide that choice of plan would be voluntary, set up an agency or commission (which could be State Insurance Commission) to police the law, and have each association or department which receives tax money of any nature register with this agency and provide information to prove the soundness of its plan, and provide penalties for failure to register.
5. "Provide that each association shall have control of the investment of its funds, subject to approval of the local governing body, or may use the services of the State Investment Board.
6. "Exclude any association which is now operating an actuarially sound program under a special law, unless it elects to come under the provision of this law."

Mr. Welter advised that the 1971 Guidelines Act failed in many ways; that 40% of the associations are not getting any municipal support at all.

Mr. Welter also advised that it would be almost impossible to have a general law to fit all situations; that the judgment of this type of program should be left to the local community; that they are in the best position to judge what they can afford and what should be done.

Mr. Dean Lund, League of Minnesota Municipalities:

Mr. Lund advised that there should be substantial options; that several levels of benefits might be created in the law that could be adopted locally, and "that agreement would carry with it the responsibility to fund whatever was necessary--the price tag should go along with the commitment."

Mr. Lund expressed approval of eliminating the requirement for actuarial surveys; favors a simple formula on the conservative side; and that a check should be made every 5 years.

Discussion relative to the use of the 2% state aid tax:

The 2% tax received by relief associations can be used as follows:

1. Relief for sick and injured.
2. Payment of pensions to disabled firemen and widows
3. Pensions
4. Fees, dues, assessments.
5. Payment of death and funeral benefits as stipulated in the bylaws.
6. Necessary administration expenses, secretary, etc.

Only pensions are subject to the laws of the state; the others are subject to the control of the local governing body. Bylaws established prior to 1971 do not have to be approved by the local governing body.

If a township does not have a duly incorporated relief association, the 2% may be used for fire fighting equipment.

Mr. Welter explained that there are a number of old laws on the books which prohibit townships from levying taxes for the support of municipal fire department relief associations.

Rep. Cal Larson moved that the investments continue to remain at the local level--not tamper with the investment program--and that Dr. Smith be asked to establish some broad guidelines as far as actuarial surveys are concerned. The motion was further amended to include that Mr. Welter and Mr. Lund work with Dr. Smith; that Mr. Welter present a preliminary report to the December meeting of the LRSC. Motion carried.

Rep. Moe stated that instead of setting one single maximum level of benefits, that 2, 3 or 5 limits be set beyond which you cannot exceed; also, there is need for further study and work on the subject of dual pensions.

Mr. Welter is getting an opinion from Washington as to whether city employees, including paid firemen, will be required to receive overtime pay for service as volunteer firemen.

Relative to "split-the-pie" plans, Rep. Moe stated that there should be more study; that benefit payments should be confined to either lump sum or monthly benefit payments.

Mr. Welter advised that at the annual conference of the State Association in Hibbing, the delegates went on record unanimously opposing any kind of consolidation, that this was confirmed at the Joint Council meeting.

There was full agreement at the subcommittee meeting by the representatives of the fire groups and municipalities that they are opposed to limitations by the Legislature; that this should be decided at the local level.

Chairman Patton concluded the meeting by stating that the purpose of the subcommittee meeting was to find out if there is a problem; that he does recognize some small problems; that there will be a report for the December meeting of the LRSC.

Ada Ambulance Service
Barnesville Ambulance Service
Breckenridge Ambulance Service
Detroit Lakes Ambulance Service
Ringdahl Ambulance Service - Fergus Falls
Christy's Ambulance Service - Fosston
Henning Ambulance Service
Mahnom County and Village Hospital
Fargo-Moorhead Ambulance Inc.
Hubbard Co. Ambulance Ser. - Park Rapids
Jones Ambulance Ser. - Park Rapids
West Central Airways - Fergus Falls
Alexandria Firemen's Relief Association
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Barnesville Firemen's Relief Association
Breckenridge Firemen's Relief Association
Callaway Firemen's Relief Association
Climax Firemen's Relief Association
Crookston Firemen's Relief Association
Dalton Firemen's Relief Association
Deer Creek Firemen's Relief Association
Detroit Lakes Firemen's Relief Assoc.
Dilworth Firemen's Relief Assoc.
Grand Forks Firemen's Relief Assoc.
Elbow Lake Firemen's Relief Assoc.
Fergus Falls Firemen's Relief Assoc.
Fertile Firemen's Relief Assoc.
Forada Firemen's Relief Assoc. - Alexandria
Fosston Firemen's Relief Assoc.

Frazee Firemen's Relief Assoc.
Gonvick Firemen's Relief Assoc.
Halstad Firemen's Relief Assoc.
Hawley Firemen's Relief Assoc.
Henning Firemen's Relief Assoc.
Mahnom Firemen's Relief Assoc.
Moorhead Firemen's Relief Assoc.
New York Mills Firemen's Relief Assoc.
Onamia Firemen's Relief Assoc.
Park Rapids Firemen's Relief Assoc
Pipestone Firemen's Relief Assoc.
Pelican Rapids Firemen's Relief Assoc.
Rothsay Firemen's Relief Assoc.
Ulen Firemen's Relief Assoc.
Underwood Firemen's Relief Assoc.
Vergas Firemen's Relief Assoc.
Verndale Firemen's Relief Assoc.
Crookston Policemen's Relief Assoc.
Moorhead Policemen's Relief Assoc,