

CITY COUNCIL PROCEEDINGS
BEMIDJI, MINNESOTA
Special Meeting/Work Session – November 23, 2015

Pursuant to due call and notice, a special meeting/work session of the City Council of the City of Bemidji, Beltrami County, Minnesota, was held on Monday, November 23, 2015, at 5:30 p.m. in the meeting room at Fire Station No. 1, Mayor Albrecht presiding.

Upon roll call, the following Councilmembers were declared present: Albrecht, Meehlhause, Johnson, Hellquist, Olson, Erickson Absent: Larson

Staff Present: City Manager Nate Mathews, Finance Director Ron Eischens, Fire Chief Dave Hoefer, City Clerk Kay Murphy

Others Present: Assistant Fire Chief/Relief Association Secretary Bruce Hemstad, Fire Equipment Operator/Relief Association President Bill Batchelder

Mayor Albrecht stated that the purpose of the special work session was to consider a request from the Volunteer Firefighters' Relief Association (FRA) for an increase to their pension benefit.

City Manager Mathews stated that the City Attorney recommended the request be considered at a regular Council meeting. The Volunteer Firefighters' Relief Association is requesting an increase in the pension benefit from \$6,000 to \$6,575 per year of service.

Chief Hoefer reviewed the current funding FRA pension sources and is made up of 2% monies, local contributions and rate of return on investments. Chief Hoefer stated that he utilizes the pension plan as to recruit and retain volunteer firefighters. It was noted that the fire department's Long Range Committee has reviewed the request and it has been unanimously supported by the Rural Association.

Council discussed the City's obligation to maintain the benefit level if the FRA is unable to fund the pension benefit or 52% of any shortfall. The Rural Fire Association is also guaranteeing their portion of any pension shortfall through the joint fire protection agreement with the city or 48%. Discussion continued regarding the history of the FRA fund. It was noted that the most recent local contribution to the FRA pension was required in 2010 and 2011 in the amounts of \$12,051 and \$9,326, respectfully. These contribution expenses were distributed to all 18 LGUs served by the fire department as outlined in the current joint fire protection agreement.

Councilor Erickson stated that the FRA could increase their benefit without coming to the City. President Batchelder responded that the FRA has never considered this as an option as it is a partnership with the City and Rural Association.

Hemstad stated that varying pensions would create potential inequity amongst the firefighters.

Councilor Hellquist suggested that the FRA consider increasing over several years or phasing in the increase.

Hemstad suggested that the Council may want to consider setting up a reserve account that could cover a shortfall.

Chief Hoefer commented that he uses the relief association benefit as a recruitment/retention tool. The current pay rate for a beginning paid on call firefighter is \$9.50 per hour. The relief association benefit is considered a "deferred compensation" benefit that off sets the low hourly pay rate.

Mayor Albrecht stated that the Rural Firefighters' Association pension request will be on the December 7 Council agenda under new business.

ADJOURN

There being no further business, motion by Meehlhause, seconded by Olson, to adjourn the meeting. Motion carried. Meeting adjourned at 6:45 p.m.

Respectfully submitted,



Kay M. Murphy
City Clerk