

CITY COUNCIL PROCEEDINGS
BEMIDJI, MINNESOTA
Work Session – July 23, 2012

Pursuant to due call and notice, a work session of the City Council of the City of Bemidji, Beltrami County, Minnesota, was held on Monday, July 23, 2012, at 5:30 p.m. in the Meeting Room of Fire Station #1, Mayor Protem Hellquist presiding.

Upon roll call, the following Councilmembers were declared present: Hellquist, Johnson, Albrecht, Negard, Thompson Absent: Waldhausen, Larson

Staff Present: Fire Chief Dave Hoefer, City Clerk Kay Murphy
Relief Association Members: Bruce Hemstad, Bill Batchelder, Kent Minske

2011 Relief Fire Audit and 2013 Projections

Bruce Hemstad, Rural Fire Secretary, reviewed the 2011 Bemidji Pioneer Firefighters' Relief Association Audit and 2013 Projections. He noted the following:

- There are 44 total members in the Association of which 4 are retirees entitled to benefits but not yet receiving them. Active plan participants: 9 vested, 8 partially vested and 23 non-vested. Hemstad noted that currently interest is not being paid on deferred members.
- The Association's plan net assets for the special account decreased 7.6% during the year from \$2,386,635 at December 31, 2010 to \$2,204,195 at December 31, 2011.
- The projected net assets at the end of December 31, 2012 is \$2,423,647.
- No City contribution is required for 2013.

Modification to By-laws

Hemstad reviewed the proposed amendment adding "Deferred Interest" to the Bemidji Pioneer Firefighters' Relief by-laws, which states: "The deferred service pension is payable when the former member reaches age 50 and makes a valid written application. The relief association pays interest only on fully vested deferred service pensions during the period of deferral. The Board of Trustees determines the rate of interest, annually, up to five (5) percent, compounded annually. The determination will be based on a rate that is one percent less than the actual earned rate of the fund, not to be less than zero (0) percent nor more than five (5) percent. Interest is payable following the date in which the municipality has approved the deferred service pension interest rate established by the Board of Trustees. The deferred service pension benefit is governed by state and federal law, the articles of incorporation, and the bylaws applicable on the date on which the member separated from active service with the fire department and active membership in the Association."

Hellquist suggested the following change: "...actual earned rate of the audited number from the Relief Association fund, not to be less than zero (0) percent nor more than five (5) percent.

Motion by Negard, seconded by Albrecht, ratifying the by-laws Article XV adding Section 2 regarding deferred interest – board set with one modification as indicated. Motion carried unanimously.

ADJOURN

There being no further business the meeting adjourned at 6:18 p.m.

Respectfully submitted,



Kay M. Murphy
City Clerk