



CITY OF
GRAND RAPIDS
IT'S IN MINNESOTA'S NATURE

CITY COUNCIL WORKSESSION AGENDA

Monday, June 24, 2024

4:00 PM

CALL TO ORDER: Pursuant to due notice and call thereof, a Worksession meeting of the Grand Rapids City Council will be held on Monday, June 24, 2024 at 4:00 PM in the City Hall Council Chambers, 420 North Pokegama Avenue, Grand Rapids, Minnesota.

ROLL CALL:

BUSINESS:

1. Annual Update Visit Grand Rapids - Megan Christianson
2. Grand Rapids Fire Relief Association request to join State Volunteer Firefighter (SVF) fund with management from the Public Employee Retirement Association (PERA).

DEPARTMENT HEAD REPORT:

3. Yanmar Arena, Parks & Recreation - Dale Anderson

REVIEW OF REGULAR AGENDA:

ADJOURN:

Attest: Kimberly Gibeau, City Clerk

Statewide Volunteer Firefighter Plan

CITY OF GRAND RAPIDS

RESOLUTION No. 2024-

A RESOLUTION OPTING TO JOIN THE STATEWIDE VOLUNTEER FIREFIGHTER PLAN

The City Council of the City of Grand Rapids, Minnesota, does ordain:

WHEREAS: The City is authorized to join the Statewide Volunteer Firefighter Plan administered by the Public Employees Retirement Association (PERA); and

WHEREAS: The City and the City's Fire Department Relief Association have jointly consented to and obtained a cost analysis for joining the Statewide Volunteer Firefighter Plan from PERA not more than 120 days ago; and

WHEREAS: The City highly values the contributions of City Fire Department members to the safety and well being of our community and wishes to safeguard their pension investments in a prudent manner; and

WHEREAS: The existing benefit level for the City Fire Department is currently at \$6,500.00 per year of service pursuant to current relief association bylaws.

**NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF GRAND RAPIDS,
MINNESOTA:**

- 1) The City hereby approves coverage by and requests participation in the Statewide Volunteer Firefighter Plan administered by PERA under the terms provided in the PERA cost analysis at the \$9,500.00 benefit level per year of service, effective January 1, 2025; and
- 2) The City hereby approves coverage by and requests participation in the Statewide Volunteer Firefighter Plan administered by PERA under the terms provided in the PERA cost analysis with the vesting schedule beginning at 40% after 5 years of service, increasing by 4% each year until 100% vesting is reached after 20 years of service; and
- 3) The City Clerk/Administrator and Mayor are hereby authorized to execute all documents necessary to effectuate the intent of this resolution.

The motion for the adoption of the foregoing resolution was proposed by Councilmember _____ and was duly seconded by Councilmember _____ and upon vote being taken thereon, the following voted in favor:

And the following voted against the same:

Whereupon said resolution was declared duly passed and adopted by the City Council of the City of Grand Rapids, on June 24, 2024.

BY:

ATTEST:

Mayor

City Clerk or City Administrator

GRFD FRA REQUEST TO JOIN SVF PERA

TRAVIS COLE, FIRE CHIEF; LANCE KUSCHEL, PRESIDENT; WILL RICHTER, TREASURER



GRAND RAPIDS FIRE RELIEF ASSOCIATION

- **OPERATES UNDER THE PROVISIONS OF MINNESOTA STATUTES 424A**
- **MANAGES FUNDS TO PROVIDE A DEFINED BENEFIT RETIREMENT FOR GRAND RAPIDS FIREFIGHTERS**
- **GOVERNED BY A SIX-MEMBER BOARD ELECTED FROM THE MEMBERSHIP ALONG WITH EX-OFFICIO OFFICERS – MAYOR, FINANCE DIRECTOR, AND FIRE CHIEF**
- **REQUEST FOR CITY COUNCIL APPROVAL TO PARTICIPATE IN THE STATEWIDE VOLUNTEER FIREFIGHTER PLAN (SVF) ADMINISTERED BY PERA ACCORDING TO MINNESOTA STATUTES 353G**

HOW THE RELIEF ASSOCIATION IS FUNDED

- **\$5,000 CONTRIBUTION FROM CITY OF GRAND RAPIDS**
- **2% MONIES COLLECTED ON INSURANCE PREMIUMS BY THE STATE OF MINNESOTA - \$146,629 (2023)**
- **THE RELIEF ASSOCIATION MANAGES THE FUND (\$3,505,906 AS OF 12-31-2023), DISTRIBUTES BENEFITS, AND REPORTS TO THE OFFICE OF THE STATE AUDITOR**

WHAT IS THE SVF PERA?

- **STATEWIDE VOLUNTEER FIREFIGHTER PLAN (SVF) ADMINISTERED BY PERA ACCORDING TO MINNESOTA STATUTES 353G**
- **STATE BOARD OF INVESTMENT MANAGES THE FUNDS**
- **PUBLIC EMPLOYEE RETIREMENT ASSOCIATION PROVIDES ADMINISTRATION**

SVF PERA COSTS ARE LOWER

2023 RELIEF ASSOCIATION EXPENSES

- **BROKER FEES \$36,260**
- **AUDIT AND ACCOUNTING \$11,289**

EXPENSES UNDER SVF PERA

- **INVESTMENT FEES ARE 1/10 OF A PRIVATE BROKER - \$3,626 VS. \$36,260**
- **ADMINISTRATION FEES ARE \$30 PER MEMBER - \$960 VS. \$11,289**

MORE SVF PERA ADVANTAGES

- **THE MARKET PERFORMANCE OF THE SVF FUND HAS OUTPERFORMED OUR INVESTMENTS RATE OF RETURN**

- **SVF 1Y 14.7% 5Y 7.7% 10Y 6.0%**

- **GR 1Y 9.6% 5Y 6.2% 10Y 4.5%**

- **THE SVF PLAN WITH PERA ADMINISTRATION PROVIDES AN OBJECTIVE RECOMMENDATION REGARDING BENEFIT LEVEL ON AN ANNUAL BASIS**

- **PERA OFFERS A BENEFITS ANALYSIS TO RELIEF ASSOCIATIONS WHO CONSIDER JOINING**

Cost Analysis Report
Estimate of the Cost to Join the Statewide Volunteer Firefighter Plan



May 16, 2024

Governing Body and Fire Chief
Grand Rapids Fire Department
bbaird@granrapidsmn.gov
cliftonanthony@gmail.com

Estimated Cost Summary: Shown below is a summary of the calculations estimating the cost of your fire department joining the Statewide Volunteer Firefighter (SVF) Plan at different benefit levels. Detailed pension liability and asset calculations are included in the subsequent pages of this *Cost Analysis Report*.

Vesting Schedule: 40% at 5 years, increasing 4% each year until 100% at 20 years

A. Benefit Level per Year of Service	\$ 6,500	\$ 7,500	\$ 8,500	\$ 9,500
B. Projected Present Pension Assets at 12/31/2024 (details attached)	3,804,706	3,804,706	3,804,706	3,804,706
C. Projected Accrued Pension Liability at 12/31/2024 (details attached)	2,493,341	2,725,154	2,959,696	3,194,237
D. Projected Surplus/(Deficit) Funding at 12/31/2024 [B - C]	1,311,365	1,079,552	845,010	610,468
E. Projected Funding Ratio at 12/31/2024 [B ÷ C]	153%	140%	129%	119%
F. Projected Accrued Pension Liability at 12/31/2025 (details attached)	2,734,462	2,994,263	3,256,957	3,519,652
G. Increase in Pension Liability between 12/31/2024 and 12/31/2025 [F - C]	241,120	269,109	297,262	325,414
H. PERA Administrative Fees (\$60 per member)	2,340	2,340	2,340	2,340
I. 1/10th of Funding Deficit/(Surplus)* [D ÷ 10]	(131,136)	(107,955)	(84,501)	(61,047)
J. Annual Financial Requirement [G + H + I]	112,324	163,494	215,101	266,707
<i>Reductions to Annual Financial Requirement</i>				
K. Projected 2025 Fire State Aid	155,465	155,465	155,465	155,465
L. Projected 2025 Investment Earnings [6% x B]	228,282	228,282	228,282	228,282
M. Annual Financial Requirement <u>After</u> Reductions [J - K - L]	(271,424)	(220,254)	(168,647)	(117,040)
N. Estimated Required Contribution due 12/31/2025 (*None* if Line M is a negative amount)	None	None	None	None

* Note: Per 353G.08, the plan must have surplus assets for two years for reduction to apply - user should over-ride with \$0 when appropriate

Please note that these are estimates only. The figures shown above on Line N are estimates of required contributions that would be due from the fire department's governing body on December 31, 2025 under the benefit level(s) considered. If you choose to join the SVF Plan effective January 1, 2025, PERA will calculate and, if applicable, issue an invoice to the fire department's governing body for any required contribution due December 31, 2025. Using the most current financial and firefighter roster information available, PERA calculates required contributions in accordance with Minnesota Statutes 353G.08, Subdivision 1, after receiving both the relief association's and governing body's resolutions to join the SVF Plan.

These estimates are based on the member information available at the time PERA prepared this cost analysis. Please review the membership information and provide us with any necessary corrections. As applicable, PERA will prepare an updated cost analysis with the corrected member information provided.

If you have questions, please contact me by email at PERASVF@mnpera.org

Sincerely,

Jill Voss
Accounting Officer Intermediate

VESTING SCHEDULE 1

Years of Service	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20
Vested %	40%	44%	48%	52%	56%	60%	64%	68%	72%	76%	80%	84%	88%	92%	96%	100%

TIMING IS RIGHT TO SWITCH

- **LOWER COSTS, BETTER PERFORMANCE, AND STATE INCENTIVES TO JOIN THE SVF MAKE THE TIMING RIGHT**
- **CURRENTLY 220/700 RELIEF ASSOCIATIONS HAVE SWITCHED TO THE SVF**
- **MINNESOTA LEGISLATURE HAS ALLOCATED \$5 MILLION IN INCENTIVES TO ENCOURAGE JOINING THE SVF – WE QUALIFY FOR \$42,000**
- **THE FIRST 100 RELIEF ASSOCIATIONS ARE ELIGIBLE**

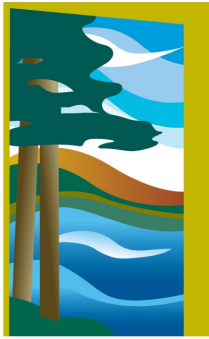
PROCESS TO JOIN SVF PERA

- **ON 06-18-2024, THE GRAND RAPIDS FIRE RELIEF ASSOCIATION BOARD ADOPTED A RESOLUTION TO JOIN THE STATEWIDE VOLUNTEER FIREFIGHTER PLAN (SVF) ADMINISTERED BY PERA**
- **\$9,500 BENEFIT LEVEL**
- **ADOPTS PERA VESTING SCHEDULE**
- **STATE LAW REQUIRES THE GOVERNING BODY (CITY COUNCIL) TO ADOPT A RESOLUTION TO MAKE THE CHANGE**

KEY FACTORS

- **PERA BENEFITS ANALYSIS**
- **STAFF / COUNCIL RECOMMENDATION(S)**
- **120-DAY TIMELINE STARTED MAY 16**
- **INCENTIVE MONIES ARE LIMITED TO FIRST 100 DEPARTMENTS THAT JOIN**

- **THANK YOU FOR MEETING WITH US.**



GRAND RAPIDS
IT'S IN MINNESOTA'S NATURE

**Recreation and Park Department
IRA Civic Center
420 N Pokegama Avenue
Grand Rapids, MN 55744
218.326.2500 Phone**

Memorandum

To: Mayor and City Council
From: Dale Anderson, Director of Parks & Recreation
Date: June 19, 2024
Re: Department Head Report

The Civic Center remodel has been a huge success. We've received countless compliments on how well done everything was completed. The main lobby remodel is currently underway which will have a consistent look with the upper lobby. The only negative comments have been about the sound quality which we are currently addressing. Acoustic treatments are being installed in August to improve the situation. The meeting/conference space in the upper lobby has also been a great addition. Many team functions, banquets, public meetings, trainings, voting, blood drives, wedding and baby showers, and other activities have enjoyed using the space.

As you are aware, GRAHA is installing refrigeration in the Miner's Pavilion this summer. Work will begin in July with the removal of the boards and glass, and the existing bituminous surfacing. The rink will then be subcut and new subsurfacing installed prior to the refrigeration tubing being installed. Once the refrigeration work is complete, the new rink will have a concrete surface, the same as our two indoor sheets. Their goal is to fire up the system by November 1st. This project became a priority following a winter where we only had 3 weeks of skateable ice due to unseasonably warm weather.

We will be putting ice back in the West Rink to begin summer programming on July 8th. Local hockey camps and figure skating will fill most of the weekday icetimes. A girls high school festival, a goalie camp, a Minnesota Hockey HP tryout, and a girls high school summer league will help fill weekends.

I recently worked with our Public Works department to make a couple notable improvements at Bob Streetar Field. The first being a new ADA wheelchair viewing bump-out on the east side of the bleachers along with new handrail safety improvements. We also constructed a new 16' x 16' storage shed, replacing the old shed that long outlived its useful life.

An Equal Opportunity / Affirmative Action Employer

Park CIP will be a priority for me moving forward. This came to mind when preparing to have my annual meeting with Mayor Connelly. Several projects will be added to the Park CIP in the upcoming years including the demo and reconstruction of a bathroom facility at Blandin Beach, tennis court resurfacing and playground replacement at Grussendorf Park, additional equipment and repair of existing ramps at the Cody Seim Memorial Skatepark will be my highest priorities.

The Grand Rapids Sports Complex is seeing another busy season. In early June we hosted the 7A and 7AA girl's fastpitch section playoffs. Currently we have men's slowpitch softball, association girl's fastpitch, association soccer, and YMCA youth soccer and t-ball programs.

Feel free to contact me with any questions.