

**BALDWIN TOWN BOARD SPECIAL
JOINT MEETING WITH THE NORTHEAST SHERBURNE FIRE & RESCUE RELIEF
ASSOCIATION**

March 24, 2015

Present – Supervisors Jay Swanson, Randy Atwood and Tom Rush. Supervisor Jeff Holm arrived at 7:13 p.m. Supervisor Brad Schumacher is absent. Relief Association members present: Jim Oliver, Jim Buell and Fire Chief Mike Rademacher. Numerous other firefighters were in attendance.

Call to Order – The March 24, 2015 Baldwin Town Board special joint meeting with the Northeast Sherburne Fire & Rescue Relief Association was called to order by Chairman Jay Swanson at 7:00 p.m.

Pledge of Allegiance – All present recited the Pledge of Allegiance.

Discuss/Recap From Last Meeting with Fire Relief Association and Township Attorney – Supervisor Rush stated that the results were that the fire department is pretty well funded for the relief and the attorney answered our questions.

Jim Oliver stated that there are two things that they would like to get accomplished tonight: 1. Ratify our \$2,000 year benefit level; and 2. Reconsider reinstating yearly contribution to our retirement fund. The attorney suggested obtaining names and ages from other fire departments. It is kind of ridiculous as we do not care how they run their organizations and it is almost impossible to find out the information. Jim Buell stated that they have checked benefit levels at local fire departments as well as their contributions. \$2,000 is not pulled out of thin air. It is coming from our accountant and what they put together for a safe rate of return.

Mike Rademacher gave a history of how and why we ended up with \$680.00. When the department first started we came in under the assumption that once trained (which was a year and a half before the department started) they were told the contribution was coming from the township. Their accountant told them the level would be at \$1,600. The state auditor looked at it and told them they needed to show a 3 year history. After the turmoil with the board the relief contribution was kind of forgotten about. A citizen said they were way overfunded and questioned why there was a contribution. The board then voted to do away for the township contribution. Oliver stated that they are currently 144% overfunded. We consult with our auditor every year to see where we are at. We don't have to have it ratified by the board because we are 100% funded.

Supervisor Swanson stated that once the board ratifies that dollar amount then the township will be on the hook for that amount. If it goes underfunded, whatever that difference is, the town wakes up to debt. The town has agreed to \$680.00. What does fully funded really mean and how many are eligible? Once the dollar amount goes up it can never go back down. Oliver stated that the township is only liable if we go under

the 100%. If, for some reason, we lost 30% and the township had to pay \$10,000 the township would have 10 years to pay it back. It is written in state statute. Rush stated that right now it is at \$680.00 and they ratified \$2,000 with 28 firefighters currently on the department. Oliver stated that they are basically saying that we don't need the township to ratify it but would like them to. Our retirement is the only thing we have for the carrot in front of us. Zimmerman's benefit level is at \$3,850 and Princeton is at \$2,850. There are 6 Princeton firefighters that live in Baldwin Township. There is some competition. We are trying to recruit people and be on the same level. The retirement benefit level is the biggest factor in retaining people. Our firefighters get paid an average of \$1,000/year. We did not go into it for the money. To retain people the retirement is there. You guys are under PERA and we are employees of the township and it should be the same thing for the fire department. Swanson asked how far away from needing it now with Oliver replying that 2 people have retired.

Swanson stated that he was led to believe by attorneys that once you are overfunded it was not allowable to levy dollars. That is why this board quit doing the contribution. The discussions were that the relief association retirement account was going to be fully funded and self-sustained. Previously it was levied at the Annual Meeting. How do we start doing it again?

Supervisor Holm stated that the basic question is whether or not the board is going to ratify the \$2,000. As it stands, \$2,000 is in the black at 144%. Brian Torborg stated that when it first started the town had to do it (levy dollars for Fire Relief) at an Annual Meeting as the board cannot do it. Oliver stated that there is a statute that the township can contribute directly to retirement. When the department increases the benefit level they will let the town board know.

Holm motioned to ratify the \$2,000 and stand behind the retirement program and the value of having our own fire department and the dedication of the members.

Supervisor Atwood stated that if they retire now they get \$2,000. Oliver stated that if they are underfunded they get the \$2,000. Rademacher stated that if it is underfunded then the relief association can lower the benefit level. Swanson questioned how that would work from the town's perspective as, if we ratify this tonight, the town is on the hook for whatever that number is. His point is that if it goes underfunded then on the hook. Holm stated the township would have 10 years. Oliver stated that the odds are probably against going negative in the investment percentages. We had an 11.9% return last year. Rush seconded Holm's motion. Discussion regarding the age of the department compared to surrounding departments. Discussion regarding department turnover. Atwood asked if the investments were basically all in stock with Oliver replying that they are taking a moderately aggressive approach. Atwood stated that, in a roundabout way the risk you guys have there is being backed by the township. If it does fail or become underfunded then you guys still get paid based on a decision of what we make tonight. Holm stated that we are still doing things at a lower cost than our neighbors.

Upon voice vote, the motion carries. It is now ratified at \$2,000.

Swanson stated that, in regards to contributions to the fund, let's take a look at what other communities do. We will need to find out what is possible for the board to do. Talk to MAT (Minnesota Association of Townships) and obtain a legal opinion. It may have to wait for the Annual Meeting.

Discuss/Approve/Disapprove Raising Township Match of \$680.00 Per Firefighter
See above.

Any Other Business – None.

Adjournment – Rush/Atwood unanimous to adjourn at 7:56 p.m.

Cathy Stevens

Submitted By: (s/) Cathy Stevens
Clerk/Treasurer
Baldwin Township

Jay Swanson

Approved By: (s/) Jay Swanson
Chairman, Board of Supervisors
Baldwin Township

4-6-2015

Date