



City of
Maple Grove
Fire Department

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To: Mayor Mark Steffenson and Maple Grove Council

From: Tim Bush – Fire Chief

Date: 2-10-2022

Subject: Updated Fire Relief Association Bylaws

Members of the Maple Grove Relief Association Board, City Staff, and the City Attorney reviewed Relief Association By-laws and recommend two changes.

Bylaw Change #1

An update to Bylaws of The Maple Grove Firefighter Relief Association (MGFRA) will bring them in-line with recent changes to Minnesota State Statutes governing relief associations. Specifically, Article X, Section 4A previously listed five categories of relief association members covered by accounting date adjustments and excluded inactive members. Inactive members had their assets frozen and did not share in gains/losses to the special fund. Guidance from the Office of the Minnesota State Auditor clarifies that all members of the relief and their beneficiaries need to be included for Accounting Date Adjustments.

Bylaw Change #2

The relief requests a change to Article XIV, Section 2. Method of Disbursement of Account. The change to bylaws creates a 1% withholding of members vested account balance until after a final audit of funds is completed. Remaining balance of earned pension will be paid with a second disbursement check.

MGFRA provides pension disbursement of funds to qualified members based on the “as-of” date requested by the retired member. In most cases, the MGFRA special fund grows between initial disbursement and the final audit date of the year in which a member retired, became disabled, or died. Retired members then receive a second check to reflect gains in the special fund recognized during the final audit process.

In recent years, there have been several instances where the initial disbursement of pension funds created an over-payment based on the final audit of the special fund. Unfortunately, MGFRA then had to initiate a process to recover over-payment of pension disbursement, rather than MGFRA generating a second check to the retiree.

In recent years, there have been several instances of retired firefighters initially refusing to return over-payment of pension benefit. This resulted in a back-and-forth between MGFRA and the retired firefighter attempting to recover the over-payment of pension benefit. Change of bylaws to require withholding of 1% of projected disbursement provides a buffer to prevent over-payment during disbursement of pension and the subsequent need to request the return of over-payment from retired firefighters.