

Memo

To: Honorable Mayor and City Council
From: Joe Kohlmann, City Administrator
Date: January 14, 2014
Re: EFD Pension Discussion

The Excelsior Fire District Board is looking to develop a guideline for Volunteer Fire Fighter pension increases. The basic formula is generally agreed upon by the Board at this point. The Board will be looking to see where each City stands on the percentage increases. The City of Tonka Bay will need to develop a position on this matter. Below is a chart that outlines other cities' positions:

	Relief	Deephaven	Excelsior	Greenwood	Shorewood	Tonka Bay
100% - 110%	0%	0%	0%	0%	0%	X
110% - 115%	2%	0%	2%	2% (at 112%)	2%	X
115% - 120%	4%	0%	3%	3% (at 117%)	3%	X
120% - 125%	5%	1%	4%	4% (at 122%)	4%	X
125% - 130%	*	2%	5%	5% (at 127%)	5%	X

For review, the pension fund must file a balance with the State Auditor every year. Any funding they fall below 100%, the cities must make a mandatory contribution to make up the difference. In the past, once the fund reached 110%, the Relief Association would ask the Board for an increase. A plan is being put in place to help provide more structure to the pension.

Council Action Requested:

Discuss and determine the pension percentage desired by Tonka Bay.