

**Baldwin Township Town Board Special Joint Meeting with  
Northeast Sherburne Fire & Rescue Fire Relief Association**

**August 25, 2014**

**Present** – Supervisors Jay Swanson, Larry Handshoe, Tom Rush, Randy Atwood and Jeff Holm. Present representing the Fire Relief Association were Jim Buell, Jim Oliver and Mike Rademacher. Also present was township attorney Mike Couri.

**Call to Order** – The August 25, 2014 special joint meeting was called to order by Chairman Jay Swanson at 7:00 pm

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

**Discuss Fire Relief Association Issues** – Jay Swanson stated that the purpose of the meeting was to get on the same page. What is the onus on the township with the relief association? Mike Couri stated that the relief association can raise their amount but the township is only on the hook for the town board approve amount of \$680.00. What happens when it becomes underfunded? Jim Oliver stated that their CPA does all the calculations and not the fund manager. Couri stated that the last number the township approves is what the township is on the hook for and, if there arises a deficit, the township has 10 years to pay that back. Once the township sets the benefit level it cannot be reduced. The intent of the law is for 100% funding. The fire relief board can raise the benefit level if they want to but, if the township does not ratify that amount, it stays at that level until underfunded. Then it reverts back to the old level. Every firefighter's benefit increases 4%/year of accumulated amount. This department liability will be higher as it is a young department. The state determines maximum liability. After reviewing the current relief association's projection of surplus or deficit which shows a surplus of \$106,680 Couri questioned what level can they fund without going into a deficit. If there is a deficit the township would have to levy as it is state law. Projections will need to be looked at and reviewed by the town board prior to any decisions made. Oliver stated that the current level is at \$2,000.

Mike Rademacher gave an overview of the history of the relief association and their benefit level. Jeff Holm stated that, at one time, it was overfunded at 400%. Swanson stated that state aid if \$31,000 was received last year. Quite a few members in the department started the same time and will be retiring about the same time. Couri suggested running projections with the current personnel at both 5 and 10 years from now.

Oliver stated that it is tough to get volunteers for the department as volunteers need to make 33% of calls and are paid twice a year. The big thing is the retirement. Zimmerman is at \$3,700 and Princeton is at \$2,800. Retirement is the only benefit to retain firefighters. They do have a defined lump sum plan where they receive one check and they have to be 50 years old. They do not pay interest on deferred status. They also have survivor benefits. The bylaws came from a state "boiler plate"

document and then tweaked. Swanson stated that, with a stock market correction, the fund could end up in a deficit. Holm stated that discussion is needed regarding the level of risk with investments. Oliver stated that their investment company works with 40-50 fire departments and is extremely regulated. Swanson stated that the number one priority is to be fully funded.

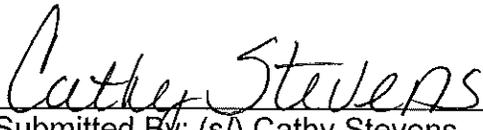
Both Jim Buell and Mike Rademacher left at 7:40 p.m. for a fire call.

Tom Rush stated he would like to see an investment portfolio provided. Swanson stated he would like the town board and the relief association work together on this. Oliver stated that the board needs to acknowledge that they have quit contributing 3-4 years ago.

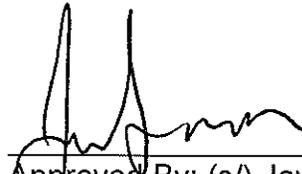
Mike Couri suggested finding out what the spread of people is with an older departments as that will give a more realistic idea for this department. Also look at the average vesting with neighboring departments. From the board's perspective look at it long range. Holm also asked for a SC-13 listing for both Princeton and Zimmerman.

Oliver stated that there are two funds. A special fund that they cannot touch which entails state aid and can only be used for administrative expenses. The other fund is the general fund from fundraisers used for the community, betterment of firefighters and for food for events.

**Adjourn** – Handshoe/Rush unanimous to adjourn at 7:57 p.m.



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



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

9-8-2014  
Date

Attendees: Chuck Nagle