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### **The Office of the State Auditor's Sample Bylaw Guides for Volunteer Fire Relief Associations**

*By Rebecca Otto, State Auditor*

A volunteer fire relief association is a governmental entity that receives and manages public money to provide retirement benefits for individuals providing the governmental services of firefighting and emergency first response. The relief association is a separate entity from the affiliated fire department, and is governed by its own board of trustees.

City officials play an important role in the governance of their local relief associations. City councils may be presented with requests from their local relief association to approve benefit levels or ratify bylaw changes. City governments are often responsible for making contributions to their local relief associations, and certain city officials are required to serve on the Board of Trustees of relief associations associated with a city fire department.

Minnesota statute requires relief associations to create and maintain bylaws, which are governing rules that can be revised over time. To help relief associations create a solid foundation for their governance, the Office of the State Auditor (OSA) has released a series of sample bylaw guides. The guides are designed to be used as a reference when developing, updating, and revising bylaws.

The guides are intended to help a relief association meet its minimum statutory requirements and to provide the framework for developing custom bylaws.

#### **Multiple Guides**

Relief associations are classified by plan, which is how they pay out benefits. The two types of plans covered by the sample bylaw guides are defined-benefit lump-sum plans and defined-contribution plans. Relief associations are further identified by fire department affiliation. Relief associations can be affiliated either with a city fire department, a town fire department, a joint-powers fire department, or an independent nonprofit firefighting corporation. The OSA has developed guides for each of the four different fire department affiliations under both types of plans.

Multiple bylaw guides are required because state statutes vary slightly between the different types of plans and affiliations. Requirements for ratifying changes in benefit levels and revisions to bylaws vary depending on the fire department affiliation. The composition of a relief association's board of trustees is also determined in part by the type of fire department affiliated with the association.

The sample bylaw guides reflect these differences. The guide for a defined-benefit lump-sum relief association affiliated with a city fire department, for example, specifies that the three municipal trustees on the Board of Trustees be the fire chief, an elected city official, and an elected or appointed city official. For a defined-benefit lump-sum relief association affiliated with an independent non-profit firefighting corporation, the provision for municipal trustees specifies the fire chief and two officials of the municipalities served by the Fire Department.

### **How to Use the Guides**

The guides provide relief association trustees with alternative provisions they can choose from when working with their own bylaws. For example, a relief association may choose whether to offer disability benefits. Associations choosing to offer disability benefits may further choose whether to offer the benefits only to permanently disabled members, or to offer benefits to members who are temporarily disabled or permanently disabled.

There are provisions within the guides where relief associations will need to determine amounts or percentages. For example, relief associations electing to require the payment of membership dues will determine the dollar amount that members must pay.

The guides also contain a provision on bylaw amendments. Usually, amendments to the bylaws that affect the amount of, the manner of payment of, or the conditions for qualification of service pensions or benefits are not effective until they have been ratified by the city council. A sample document is included that can be used by the city to track ratification of bylaw changes by the city council.

Because the sample bylaw guides are designed to meet minimum statutory requirements and provide the basic framework for developing bylaws, relief associations may decide to have additional provisions or use different language. In all cases, relief associations should have their bylaws reviewed by legal counsel.

### **Additional Information**

The sample bylaw guides reflect current Minnesota statutes and relevant case law. The OSA will review the sample bylaw guides after each legislative session and update them to incorporate any law changes affecting volunteer fire relief associations. Suggestions we receive for improving the guides or making them more user-friendly may also be incorporated during this annual review process.

The sample bylaw guides are currently available on the OSA website in both MS Word and Adobe PDF formats. To view the guides, go to [www.auditor.state.mn.us](http://www.auditor.state.mn.us): once there, select the menu item “For Local Officials” and click on “Pension Documents.” You will find the guides under the “Bylaw Guides” heading.

If you have questions about the sample bylaw guides, please contact Rose Hennessy Allen of the OSA’s Pension Division at (651) 296-5985 or at [Rose.Hennessy-Allen@osa.state.mn.us](mailto:Rose.Hennessy-Allen@osa.state.mn.us).