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Article for *Minnesota Fire Chief*

Governance of Fire Relief Associations & Sample Bylaws

By Rebecca Otto, State Auditor

The Office of the State Auditor frequently receives questions from members and trustees of volunteer fire relief associations concerning their association's governance. In this article we'd like to answer some of those questions with some important information about the governing structure of volunteer fire relief associations.

The Board of Trustees

A volunteer fire relief association is governed by Minnesota law, its articles of incorporation, and its bylaws. A volunteer fire relief association must be managed by a board of trustees. The board's responsibilities include:

- Determining plan benefits and eligibility for membership or benefits;
- Determining the amount or duration of benefits;
- Determining funding requirements and contribution amounts;
- Maintaining necessary membership and financial records;
- Reviewing expenditures; and
- Investing pension plan assets.

The board consists of nine members: six trustees elected from the fire relief association's membership and three trustees from the municipality or municipalities. Municipal trustees for a relief association directly associated with a city fire department are the fire chief, one elected municipal official, and one elected or appointed municipal official. These trustees serve a term of one year. A municipal trustee has all the rights and duties of any other trustee, except the right to serve as an officer of the board.

Trustees elected from the fire relief association's membership and board officers may be elected for terms not to exceed three years, but as specified in the bylaws. If the terms exceed one year, the elections should be staggered on an equal basis as is practicable: for instance, if there are six elected trustees serving on a board which has terms of three years, each year two trustee positions should be up for election.

A board must have at least three officers elected by the full board or by the membership, as specified in the bylaws. The officers of the board are elected from among the elected trustees. A trustee may hold only one elected office at a time on the board: for example, the same person cannot serve as board president and treasurer.

All trustees, including the three municipal trustees, are fiduciaries. As a fiduciary, each trustee must act in good faith and exercise the degree of judgment and care that a person of prudence, discretion and intelligence would exercise in the management of their own affairs.

Sample Bylaws

The Office of the State Auditor will soon be providing sample bylaws for relief association boards of trustees to use as a guide in developing, updating, and revising bylaws for their associations. The bylaw provisions within the OSA sample bylaws are intended to assist a relief association in meeting its minimum statutory requirements and to provide the framework for developing custom bylaws.

The sample bylaws will be posted on the OSA website. Notices will be provided to relief association trustees in the OSA's weekly E-Update and monthly Pension Division Newsletter when the sample bylaws are available. For more information about the sample bylaws, or to sign up to receive the Pension Division Newsletter, please contact Rose Hennessy Allen at (651) 296-5985 or at Rose.Hennessy-Allen@osa.state.mn.us.