



OFFICE OF THE STATE AUDITOR

E-Update

*The official online news
publication of the Office
of the State Auditor*

**State Auditor
Rebecca Otto**

December 12, 2008

1. Released: December TIF Newsletter
 2. Pension Update: Volunteer Fire Relief Association Working Group
 3. New: Statement of Position
 4. Avoiding Pitfalls: Hearings on Municipal Liquor Store Losses
-

1. Released: December TIF Newsletter

The December TIF Division newsletter has been released. The Newsletter provides information on the 2008 Correction of Errors Amendment to the TIF Act. To view the complete newsletter, go to:

http://www.auditor.state.mn.us/other/tifdocs/tifNewsletter_0812.pdf.

2. Pension Update: Volunteer Fire Relief Association Working Group

The Volunteer Fire Relief Association Working Group held its third meeting of the season on December 4.

Group members decided to recommend no statutory changes regarding the payment of interest to deferred members of defined contribution plans. The members agreed to draft legislation that would allow for a limited exception to the prohibition of the participation of minors for members of youth, civic, or educational programs, such as a Boy Scout Explorer Program with Fire Departments. The members also agreed to pursue legislative changes to allow survivor benefits to be paid to a trust rather than just to a natural person, and to allow members to resume active service after retirement without a penalty, subject to certain limitations and local approval.

The next Working Group meeting is on Tuesday, December 16. Agenda topics for the next meeting include pension calculations for members with a break in service, the

statutory audit threshold, benefit rollovers, investments, and extending the deficit amortization period for defined benefit lump sum plans.

Meeting materials for Working Group meetings are available on our website at:

<http://www.auditor.state.mn.us/default.aspx?page=reliefworkinggroup>.

3. New: Statement of Position

The Office of the State Auditor has issued a new Statement of Position on the Status of FDIC-Guaranteed Bank Bonds under Minnesota Law. The Statement makes clear that FDIC-guaranteed bank bonds cannot be used as public collateral and that public entities cannot invest in FDIC-guaranteed bank bonds. To view the complete Statement of Position, go to:

http://www.auditor.state.mn.us/Other/statements/FDICbondsascollateral_0812_statement.pdf.

4. Avoiding Pitfalls: Hearings on Municipal Liquor Store Losses

If the operation of a municipal liquor store has experienced losses, before transfers, in at least two of three consecutive years, the city operating the store must hold a public hearing on the future of the liquor store. The public hearing must be held not more than 45 days prior to the end of the fiscal year following the three-year period. For example, a city with liquor store operations that experienced two years of losses during the three-year period ending December 31, 2007, must hold a public hearing on or after November 17, 2008. The governing statute is [Minn. Stat. § 340A.602](#).

If you are interested in signing up to receive an e-mail version of the E-Update regularly, [click here](#).

The Office of the State Auditor is located at 525 Park Street, Suite 500, Saint Paul, MN 55103. Phone: 651-296-2551 Fax: 651-296-4755 Web: www.auditor.state.mn.us