

**COUNCIL CHAMBERS**

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Resolution No. 99212

City of Virginia, Minnesota, November 9, 1999

**Resolution to establish a plan for expenditure of the residual asset amount of the overfunded PERA consolidated Virginia Police Pension Fund**

Resolved by the City Council of the City of Virginia, that

**WHEREAS, the Office of the State Auditor (hereinafter "OSA") has been informed by the Public Employees Retirement Association (hereinafter "PERA") that the Virginia Police pension fund has been identified as being an overfunded plan of the Police and Fire Consolidation Fund (hereinafter "P & FF"); and**

**WHEREAS, a new law passed in 1999 required the executive director of PERA to pay this overfunded or "residual asset amount" to the municipality upon completion of the statutory requirements noted below; and**

**WHEREAS, pursuant to the omnibus pension bill (SF 319, article 4, section 10), before the "residual asset amount" payment is made by PERA to the municipality of the overfunded plan, the governing body of the applicable municipality must hold a public hearing and adopt a plan for the expenditure of the residual amount; and**

**WHEREAS, the City of Virginia held a public hearing on July 27, 1999, to review options for use of the residual amounts from this overfunded plan; and**

**WHEREAS, a plan adopted in the form of an adopted municipal resolution must be filed with the Office of the State Auditor,**

**NOW, THEREFORE, BE IT RESOLVED that the City of Virginia formally adopts the following plan for expenditure of the residual asset amount of the overfunded PERA Virginia Police Pension Consolidation Fund:**

- I. The City of Virginia will create a special fund and invest the residual asset amount and any investment earnings will also be credited to this fund.**
- II. The City will file a statement of revenues and expenditures for the previous calendar year by April 1<sup>st</sup> of the following year with the Office of the State Auditor.**

**III. The City of Virginia hereby designates the following items as properly designated expenditures for this fund.**

- 1. A new public safety facility.**
- 2. Additional possible retirement funding for Police officers hired prior to 7/1/80. These officers had to complete a six-month probation period before being eligible for a pension and their eligibility started on the first day of the seventh month. There are eight current officers affected and the City will have PERA determine the additional funding required to reflect their actual date of hire. All current officers are eligible as of their date of hire.**
- 3. Capital improvements for the Police Department. The Police Department has a need to upgrade facilities, office equipment and other equipment.**
- 4. Some funds could be used to defray the annual cost of Police Department operations.**
- 5. Additional funding to provide training and training materials for Police Department personnel.**
- 6. Funding of early retirements and/or medical insurance for Police Department retirees.**
- 7. Only interest earnings can be withdrawn annually for the purposes listed above, so that these funds can be utilized for a number of years. The only exception to this policy would be to fund a new public safety facility or capital improvements for the Police Department.**
- 8. Any proposed changes to this plan will be by Council Resolution and must be submitted to the State of Minnesota Office of the State Auditor.**

**IV. The Mayor and City Clerk/Finance Director are authorized to execute the necessary documentation to establish and carry out this plan.**

Moved by Councillor Henderson supported by Councillor Isaacson that the above resolution be adopted.

Ayes: Councillors Isaacson, Russo, Baribeau, Thornton, Henderson, Cuffe, Mayor Gentilini - 7

Nays: None