



Working Group

Meeting Agenda: July 21, 2025

- I. Call to Order**
Chair Auditor Blaha.
- II. Introductions**
- III. Review and Approval of Working Group Meeting Minutes**
Exhibit A. Draft October 1, 2024, Meeting Minutes
- IV. Working Group Process Discussion**
Exhibits B through E.
 - Working Group Purpose Statement (B)
 - Working Group Process (C)
 - Working Group Membership List (D)
 - Respectful Workplace Policy (E)
- V. Legislative Review**
Exhibit F.
- VI. Discussion of Working Group Topic Suggestions**
Exhibit G.
- VII. Discussion of Audit Requirement and Experiences**
Exhibit H.
- VIII. Other Business**
- IX. Next Meeting**
Tuesday, August 12, 2025
2:00 p.m. to 3:30 p.m.
In-Person/Virtual Hybrid Format
- X. Adjournment**

Individuals with disabilities who need a reasonable accommodation to participate in this event, please contact Rose Hennessy Allen at (651) 296-5985 or (800) 627-3529 (TTY) by July 19, 2025.



Exhibit A

10-01-24 Approved Minutes

Members Present

Julie Blaha, State Auditor

Roger Carlson, Minnesota State Fire Department Association Representative (defined benefit monthly/lump sum plans)

Jon Dahlke, Glencoe Fire Relief Association Treasurer (defined benefit monthly/lump sum plans)

Sue Iverson, Municipal Finance Representative

Dan Johnson, Mendota Heights Fire Relief Association Trustee (defined contribution plans)

Aaron Johnston, Coon Rapids Fire Relief Association Treasurer (defined contribution plans)

Mikal Knotek, St. Michael Fire Relief Association Secretary (defined benefit lump sum plans)

Karl Mork, Bemidji Fire Relief Association Treasurer (defined benefit lump sum plans)

Darrell Pettis, St. Peter Fire Relief Association Treasurer (defined benefit lump sum plans)

Clinton Rogers, City of Janesville Administrator

Kevin Wall, Lower Saint Croix Valley Fire Relief Association President (defined benefit lump sum plans)

Thomas Wilson, Eden Prairie Fire Relief Association Secretary (defined benefit monthly/lump sum plans)

Members Excused

Tim Bush, Minnesota State Fire Chiefs Association Representative (defined contribution plans)

Steve Donney, City of Harmony Mayor

Michael Walstien, Plymouth Fire Relief Association Member (defined contribution plans)

Office of the State Auditor Representatives Present

Ramona Advani, Deputy State Auditor and General Counsel

Rose Hennessy Allen, Office of the State Auditor Pension Director

I. Call to Order

Auditor Blaha called the meeting to order. She explained that the meeting was being conducted in a hybrid format and being recorded and streamed to the Office of the State Auditor (OSA) YouTube channel. The meeting agenda was accepted with no changes.

II. Review and Approval of Working Group Meeting Minutes

Members reviewed the September 25, 2024, meeting minutes that had been provided in advance. The meeting minutes were adopted unanimously.

III. Review of Previously Approved Legislative Proposals

- Reporting Deadlines

Working Group members reviewed the proposal to change the March 31 reporting deadline to June 30 that had been approved during a previous meeting. Iverson made a motion to adopt

the proposed language with an effective date of January 1, 2026. Knotek seconded the motion that was then adopted unanimously.

- **Technical Change**

Working Group members reviewed the proposal to remove an accrued liability table used for reporting forms completed prior to 2022 that no longer is needed. The proposal was approved during a previous meeting. Pettis made a motion to adopt the proposed language with it being effective following final enactment. Mork seconded the motion that was then adopted unanimously.

IV. Review of DC Plan Minimum Retirement Age Draft Changes

Working Group members reviewed draft language that would permit a relief association with a defined contribution plan to pay retirement benefits as soon as practicable following a member's separation from active service. A relief association could choose to define a minimum retirement age in its bylaws. The group agreed that the proposal should apply to currently deferred defined contribution plan members as well as to those who are active. Johnston made a motion to adopt the draft language with an effective date of January 1, 2026. Iverson seconded the motion that was then adopted unanimously.

V. Review of Special Fund Member Contributions Draft Changes

Working Group members reviewed draft language that would resolve potential conflicts within state statutes and with federal law by removing references to member contributions or dues being deposited into a relief association's special fund. The draft language would also update municipal contribution calculations to no longer reduce minimum financial requirements by the amount of any member dues or contributions deposited into the special fund. Hennessy Allen shared the most recent reports filed with the OSA showed special fund member dues or contributions in 46 lump sum plans, 2 monthly plans, and 5 defined contribution plans, with total amounts deposited being less than \$1,000 for all but 5 of these relief associations. Rogers made a motion to adopt the draft language with an effective date of January 1, 2026, which was adopted unanimously by the group.

VI. Review of Position Statements

- **Length of Service Incentives**

Working Group members reviewed the draft Position Statement recommending no changes be pursued to provide authority for relief associations to pay monetary length of service incentives to members. Johnston made a motion to adopt the Position Statement. Johnson seconded the motion that was then adopted unanimously.

- **Audit Threshold and Frequency**

Working Group members reviewed the draft Position Statement recommending no changes be pursued at this time regarding the threshold at which an audit is required or the frequency of required audits, but that both should be reevaluated regularly. Knotek made a motion to adopt the Position Statement. Johnson seconded the motion that was then adopted unanimously.

- **Minimum Service Requirements**

Working Group members reviewed the draft Position Statement recommending that no changes to current law be recommended at this time with respect to a relief association's role



in establishing minimum service requirements or determining whether individual firefighters have met those requirements. Mork made a motion to adopt the Position Statement. Iverson seconded the motion that was then adopted unanimously.

VII. Review of Technical Changes for Direct Rollovers

Auditor Blaha explained that Executive Director Lenczewski identified some updates needed to the statutes providing for retiring members to elect a direct rollover of their benefits to an IRA. Auditor Blaha said OSA staff will work with the Legislative Commission on Pensions and Retirement (LCPR) staff on language. Working Group members agreed the updates would be considered technical corrections. Iverson made a motion to approve the concept and ask staff to work on drafting corrective language to the direct rollover provisions. Johnson seconded the motion that was then adopted unanimously.

VIII. Other Business

Auditor Blaha shared some relief associations may seek legislation to increase the maximum allowable benefit level. The proposal, as we understand it, would be limited to a small group of relief associations. She wanted to share this information with the group as it could be something introduced during the next legislative session affecting relief associations.

Auditor Blaha thanked the Working Group members, OSA staff, and LCPR staff. She said Working Group members would be kept updated on the progress of the proposals and notified when the bill is scheduled to be heard by the LCPR.

IX. Adjournment

The meeting was adjourned at 2:50 pm.



Exhibit B

Working Group Purpose Statement

To identify and work through current and pressing relief association issues while maintaining effective and efficient Office of the State Auditor oversight.

We will do this by bringing together the major fire relief association stakeholders to develop relationships, facilitate communication, discuss relief association issues and make the Pension Process easier and more effective.

The ultimate goal is to help fire relief association plans be successful.



Exhibit C

Working Group Process

- Identify and discuss topics and make recommendations to clarify state laws,*
- Forward suggested statutory changes to the Legislative Commission on Pensions and Retirement, and
- Identify ways to simplify reporting forms, identify training needs and other issues.

* Unanimous consent is required for all proposals to move forward, although proposals may be revisited and reconsidered.



Exhibit D

Working Group Membership List

- 1. Municipal Official**
Steve Donney, Mayor
City of Harmony
PO Box 488
Harmony, MN 55939
(507) 951-4320
stdonney2002@yahoo.com
- 2. Municipal Official**
Clinton Rogers, Administrator
City of Janesville
PO Box O
101 N Mott Street
Janesville, MN 56048
(507) 234-5110
clintonr@janesvillemn.gov
- 3. Defined Benefit Monthly/Lump Sum Combination Plans**
Thomas Wilson, Secretary
Eden Prairie Fire Relief Association
14800 Scenic Heights Road
Eden Prairie, MN 55344
(952) 594-4411
tomwilson52@hotmail.com
- 4. Defined Benefit Lump Sum Plans**
Karl Mork, Treasurer
Bemidji Fire Relief Association
318 5th Street NW
Bemidji, MN 56601
(218) 556-0574
karl.mork@bgcbemidji.org
- 5. Defined Benefit Lump Sum Plans**
Darrell Pettis, Treasurer
St. Peter Fire Relief Association
602 Sunrise Drive
St. Peter, MN 56082
(507) 381-9815
dbpettis@hickorytech.net
- 6. Minnesota State Fire Department Association**
Roger Carlson, Treasurer
Fairmont Fire Relief Association
216 East 4th Street
Fairmont, MN 56031
(507) 236-5056
rogerc326@midco.net
- 7. Defined Contribution Plans**
Aaron Johnston, Treasurer
Coon Rapids Fire Relief Association
3150 111th Ave NW
Coon Rapids, MN 55433
(763) 767-6477
ajohnston@coonrapidsmn.gov
- 8. Defined Contribution Plans**
Michael Walstien, Member
Plymouth Fire Relief Association
3400 Plymouth Boulevard
Plymouth, MN 55447
(612) 599-4982
walstien@gmail.com



9. Minnesota State Fire Chiefs Association

Dan Johnson, Chief
Mendota Heights Fire Department
2121 Dodd Road
Mendota Heights, MN 55120
(651) 238-9555
djohnson@mendotaheightsmn.gov

10. Defined Benefit Lump Sum Plans

Kevin Wall, President
Lower Saint Croix Valley Fire Relief Association
P.O. Box 234
Lake St. Croix Beach, MN 55043
(763) 401-2289
wallkcw@gmail.com

11. Defined Benefit Lump Sum Plans

Mikal Knotek, Secretary
St. Michael Fire Relief Association
216 Main Street S
St. Michael, MN 55376
(612) 382-7497
mjknotek@gmail.com

12. Defined Benefit Monthly/Lump Sum Combination Plans

Jon Dahlke, Treasurer
Glencoe Fire Relief Association
509 10th Street E
Glencoe, MN 55336
(507) 381-5915
jond@security-banks.com

13. State Auditor Julie Blaha

525 Park Street, Suite 500
Saint Paul, MN 55103
(651) 296-2551
state.auditor@osa.state.mn.us

Office of the State Auditor and Legislative Support

Legislative Commission on Pensions & Retirement

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Legislative Commission on Pensions & Retirement

Aleena Wilson, Analyst
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Office of the State Auditor

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HR/LR Policy #1432

Respectful Workplace

Date Issued: 4/10/2015

Date Revised: 8/14/2023

Authority: Enterprise Employee Resources

OVERVIEW

Objective

To build and maintain a workplace that is respectful toward all employees, volunteers, contractors, and other persons visiting the workplace and public service environment.

Policy Statement

The State of Minnesota is committed to providing a positive environment in which all staff, members of the public and others doing business with the state are treated with respect.

Scope

This policy applies to all employees in the executive branch of state government (as defined in M.S. 43A.02, subds. 2 & 22), including Minnesota State Retirement System, Public Employees Retirement Association, and Teachers Retirement Association.

Definitions and Key Terms

Gendered personal references

A third-person term by which a person wishes to be referred to in order to indicate their gender identity, which includes, but is not limited to pronouns (e.g., she, her, hers, he, him, his, they, them, their,) titles (e.g., Mrs., Mr., Ms.,) and other terms indicating a person's gender identity.

Public service environment

A location that is not the workplace where public service is being provided.

Respect

Behavior or communication that demonstrates positive consideration, adherence to agency policies, and treats individuals in a manner that a reasonable person would find appropriate.

Third parties

Volunteers, contractors, customers and other non-employees in the workplace or public service environment.

Exclusions

This policy solely addresses communications and behavior that do not involve protected class status or sexual harassment. Communications and behavior that involve protected class status and sexual harassment are addressed in [HR/LR Policy #1436](#) Harassment and Discrimination Prohibited and [HR/LR Policy #1329](#) Sexual Harassment Prohibited.

GENERAL STANDARDS AND EXPECTATIONS

The State of Minnesota is committed to providing a respectful workplace and public service environment for employees and third parties. Respect for one another is fundamental to working in an effective, efficient and innovative manner. Disrespectful communications and behavior can disrupt the proper functioning of work units. Therefore, it is the intent of the State of Minnesota to ensure a respectful workplace and public service environment free of disrespectful communications or behavior and provide effective and non-retaliatory problem-solving processes that address concerns regarding respectful or professional communications or behavior.

I. Responsibilities

Employees and third parties are expected to:

- Conduct themselves in a manner that demonstrates respect for others in the workplace and public service environment.
- Use informal means to address issues with the individual(s) involved whenever possible.
- Participate fully and in good faith in any informal resolution process or formal complaint and investigative process for which they may have relevant information.
- Report incidents that may violate this policy in accordance with processes identified by the agency.

In addition to their responsibilities as employees as described above, agency heads, managers and supervisors are also expected to:

- Inform their employees and third parties for whom they are responsible of the expectations outlined in this policy.
- Achieve and maintain compliance with this policy.
- Take timely and appropriate action when a complaint is made alleging violation of this policy.

Failure to comply with this policy and its procedures may result in disciplinary action, up to and including discharge, or ending a contractor or volunteer relationship with the agency.

II. Retaliation Prohibited

Retaliation is prohibited against any employee or third party who:

- Initiates a complaint.
- Reports an incident that may violate this policy.
- Participates in an investigation related to a complaint.
- Is associated or perceived to be associated with a person who initiates a complaint or participates in the investigation of a complaint under this policy.

III. Respectful Behavior

Context is important in understanding the difference between respectful behavior and disrespectful behavior. Individuals may experience stress or discomfort in the workplace that is not related to disrespectful behavior. For example, disrespectful behavior does not include:

- The normal exercise of supervisory or managerial responsibilities, including, but not limited to performance reviews, work direction, performance management, and disciplinary action provided they are conducted in a respectful, professional manner.
- Disagreements, misunderstandings, miscommunication, or conflict situations where the behavior remains respectful.

Disrespectful behavior may or may not be intentional. Unintentionally disrespectful behavior may still violate this policy. Examples of *disrespectful behavior* include but are not limited to:

- Exhibiting aggressive behaviors including shouting, abusive language, threats of violence, the use of obscenities or other non-verbal expressions of aggression.
- Behavior that a reasonable person would find to be demeaning, humiliating, or bullying.
- Unwelcome touching or comments about a person's hair, body, clothing, or personal effects.
- Repeatedly misgendering a person, including using gendered personal references that do not align with another person's identity.
- Repeatedly or deliberately mispronouncing a person's name, including use of an unwelcome nickname, or shortening a name without permission.
- Repeatedly or deliberately using a name other than a person's chosen name, except as legally required or for business necessity.
- Microaggressions, which may have the appearance of being harmless. Microaggressions include comments, behavior, or other interactions that intentionally or unintentionally communicate hostility or bias toward a person who might identify as being a member of a marginalized group or nonmainstream community. Comments, behavior, or other interactions are often rooted in a bias towards a certain group.
- Deliberately destroying, damaging, or obstructing someone's work performance, work product, tools, or materials.
- Use of this policy and procedure to make knowingly false complaint(s).

IV. Procedures

As with all allegations of misconduct, informal resolution and formal investigatory processes related to this policy will be conducted in a timely, fair, and objective manner.

Individuals are encouraged to informally resolve concerns whenever possible. In addition to the options provided in this policy and those identified within the agency, the involved parties and the agency may seek mediation services or tools through the Minnesota Department of Administration's [Office of Collaboration and Dispute Resolution](#).

a. Informal Resolution

If possible, the employee or third party who feels a violation has occurred should have a conversation with the other individual(s) involved.

Employees and third parties are encouraged to speak with their supervisor, agency Human Resources office, union representative, or Employee Assistance Program (EAP) representative for assistance or guidance on how to resolve the situation.

If a direct approach is not possible or does not resolve the concern, employees and third parties are encouraged to meet with their supervisor or manager to discuss next steps.

If the concern is about the supervisor or manager, parties are encouraged to contact the Human Resources office or an EAP counselor to determine options for resolution.

b. Formal Complaints

Any employee or third party may choose to initiate a formal complaint under this policy. Complaints should be submitted to the agency Human Resources office or as provided by agency procedure. If the complaint concerns a member of the Human Resources office, the complainant may contact their supervisor or manager or the Human Resources Director. If the complaint concerns an agency head, the complainant may contact Minnesota Management and Budget's Deputy Commissioner of Enterprise Employee Resources.

Complaints must contain details of the situation and the identity of the person or persons against whom the complaint is being made. A person against whom a formal complaint is made may be informed of the complaint.

- As a matter of best practice, the agency or Human Resources office receiving a complaint made pursuant to this policy is encouraged to acknowledge receipt of any complaint in writing, to the complainant, with a statement to include:
 - The date that the complaint was made.
 - A statement that the agency or Human Resources office retains the discretion to determine whether an investigation is warranted.
 - A statement that if it is determined that an investigation is warranted, all investigations will be conducted in a timely, fair, and objective manner.
 - A statement that all data associated with a complaint, including any investigation and any outcome, are government data, and that the release or non-release of data is governed by the Minnesota Government Data Practices Act (MGDPA).

Agency Human Resources and Labor Relations may contact MMB Labor Relations and Enterprise Employee Resources for guidance implementing this policy and addressing behaviors or complaints. This process does not supersede any applicable grievance or dispute resolution process under a collective bargaining agreement or plan.

RESPONSIBILITIES

Agencies are responsible for:

- Achieving and maintaining agency compliance with this policy.

MMB is responsible for:

- Maintaining this policy.

FORMS AND INSTRUCTIONS

Recommended content for an agency Complaint Form and Complaint Acknowledgment Form are included below. As a matter of best practice, agencies are encouraged to update their existing complaint forms consistent with the guidelines of this policy.

SAMPLE COMPLAINT FORM

Name:

Date:

Summary of Concerns:

Summary of any Documentation Related to Allegations (please include with complaint):

Witnesses (please describe what might they know regarding allegations.):

SAMPLE COMPLAINT ACKNOWLEDGMENT FORM

This form acknowledges receipt of a complaint made under the Respectful Workplace policy on ____ (date). Responsible authorities will review the complaint to determine whether an investigation is warranted. If an investigation proceeds, it will be conducted in a timely, fair, and objective manner.

Investigations and other actions taken in response to this complaint are subject to any applicable processes under applicable collective bargaining agreements and plans, including applicable review and/or appeal procedures.

All data associated with this complaint, including any investigation and any outcome, are government data. The release or non-release of this data is governed by the Minnesota Government Data Practices Act (MGDPA).

MMB Labor Relations and MMB Enterprise Human Resources are available to consult and offer guidance on implementation of this policy and procedure. As provided by relevant collective bargaining agreements, union representatives may also be available to assist.

CONTACTS

MMB Enterprise Employee Resources

Any appropriate authority as set forth in this policy



Exhibit F

Legislative Review (Laws 2025, Chapter 37)

Working Group Proposals:

- Art. 7, Sec. 1 & 9 Changes the March 31 reporting deadline to June 30, so all relief associations have the same reporting deadline to the OSA.
- Art. 7, Sec. 3 & 4 Removes the minimum retirement age for defined contribution plans so distributions can be made as soon as practicable following a firefighter's separation from service. This change goes into effect on January 1, 2026, and requires the relief association to amend its bylaws. Note that firefighters in defined benefit plans must still be at least age 50 to be eligible for a retirement benefit distribution.
- Art. 7, Sec. 6, 8 & 10 Removes authority to deposit member dues or contributions into the special fund and updates municipal contribution calculations to no longer reduce minimum financial requirements by the amount of any dues or contributions.
- Art. 7, Sec. 2 & 5 Updates direct rollover language for consistency with Internal Revenue Code.

Non-Working Group Proposals:

- Art. 8, Sec. 1 Increases the maximum allowable benefit level to \$20,000 per year of service.
- Art. 21 Clarifies fire and supplemental state aid provisions with respect to fire departments having part-time firefighters.
- Art. 8, Sec. 2 Repeals the Investment Business Recipient Disclosure reporting requirement.
- Art. 23, Sec. 8-11 Clarifies the full vesting requirement if a relief association were to dissolve, defines when during a plan termination any interest allocations to deferred members end, and updates when a relief association is involuntarily dissolved.
- Art. 23, Sec. 6 Requires that an eligible rollover distribution notice be provided to a retiring member prior to making the rollover distribution.

Discussion:

- What feedback are you hearing regarding these legislative changes?
- What have we learned?
- What could we improve?



Exhibit G

Working Group Topic Suggestions

2025 Potential Topics				
Topic	Description	Source	Type	
Audits (424A.014, subd. 1)	1. Consider repealing the requirement that relief associations maintain the audit requirement even if they drop back below the threshold.	CPAs	Limited	Policy Change
	2. Consider increasing the threshold at which an annual audit is required.	FRAs	Limited	Policy Change
Combined Service Pensions (424A.015, subd. 7)	3. Clarify how combined service is accrued if a firefighter is an active member on two different relief associations at the same time.	FRAs	Limited	Policy Change
DC Deferred Members (424A.016, subd. 6)	4. Consider requiring that if investment performance is allocated to deferred members at the full gain or loss, it be credited for the full period of deferral (rather than completed months or years of deferral.)	OSA	Policy	Change
	5. Change references to deferred interest to investment performance, instead.	OSA	Limited	Technical Change
Governing Plan Provisions (424A.015, subd. 6)	6. Clarify the timing of governing benefit plan provisions (e.g., what happens if the bylaws and state statute permit something when a member separates, but the bylaws and statute no longer do when the member's benefit is calculated and distributed?).	OSA	Policy	Change
Membership Start Date (424A.001, subd. 12)	7. Review the wording for relief association membership start date. When membership begins on the date of hire, is "hire" the right word?	OSA	Limited	Technical Change
Monthly Benefits (424A.093, subd. 1)	8. Determine if language permitting monthly benefits to be discontinued and replaced with a lump sum amount or annuity needs clarification. Discuss pitfalls to avoid and potential risks with purchasing annuities.	FRAs	Policy	Change
Return to Service (424A.01, subd. 6)	9. Clarify that no resumption of service requirement applies to defined contribution plan members, and that defined benefit plan members who return to active service after being paid a benefit must meet the vesting requirement and not also a resumption of service requirement.	OSA	Limited	Technical Change



Exhibit H

Audit Requirement

Topic:

A relief association that has at least \$750,000 in either special fund assets or liabilities must file an annual audit with the OSA. After a relief association exceeds this threshold, an annual audit is required, even if the relief association were to subsequently drop back below the threshold. Relief associations below the threshold, and that have not exceeded it in a prior year, may have an agreed-upon procedures (AUP) engagement performed instead of having a full audit.

Currently, about 57% of relief associations are below the threshold and have an AUP, while about 43% of relief associations are required to have an audit.

Because of the shortage of public finance staff, we continue to receive requests from relief association trustees and from audit firms to consider changes so that audits are focused where they will be most effective. Some possible changes for discussion are identified below.

Discussion:

1. Should a change be made so if a relief association drops below the \$750,000 threshold the relief association reverts to the AUP filing requirement, instead of maintaining the audit requirement?
2. Should the timing of when an audit first becomes required be clarified?
 - a. Our practice is to require an audit beginning with reports for the year after exceeding the threshold.
3. Should a change to the \$750,000 audit threshold be considered?
 - a. The audit threshold for combined clerk-treasurer cities and towns, and special districts, was increased to \$1,000,000 during the 2025 Legislative Session.
4. Should changes to the required frequency of audits be considered?
5. Anything else?