

MICROFILM DIVIDER

OMB/RECORDS MANAGEMENT DIVISION

SFN 2053 (2/85) 5M



ROLL NUMBER

DESCRIPTION

2057

2001 SENATE GOVERNMENT AND VETERANS AFFAIRS

SB 2057

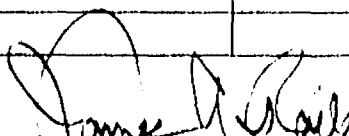
2001 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SB 2057

Senate Government and Veterans Affairs Committee

☐ Conference Committee

Hearing Date January 25, 2001

Tape Number	Side A	Side B	Meter #
I	X		0.0-19.8
Committee Clerk Signature 			

Minutes: Chairman Krebsbach called the committee to order. The clerk called the roll. All members were present. Chairman Krebsbach opened the hearing on SB 2057 which relates to alternate firefighters relief association plan benefits. Appearing before the committee to introduce the legislation was Senator Tony Grindberg, District 41, Fargo. He indicated that the legislation was introduced on behalf of the Fargo firefighters. There was a bill that went through the interim committee and passed that allowed Fargo firemen to offer better opportunities for firemen and retirement and this is another bill to attempt to continue what was started. A number of you, I think Senator C. Nelson was on the interim committee, also Senator Kilzer. He gave the committee a handout which the council had prepared based on the interim committee's work. He indicated that he hoped the committee would give the bill their favorable consideration. Senator Carolyn Nelson, District 41, Fargo, cosponsor of the bill also appeared before the committee on behalf of the Fargo firefighters. In her brief testimony she indicated that it was only Fargo and Bismarck that are connected with the state employees retirement program. She

indicated that it is their money and they do the investing but they do come to the legislature to get permission to spend it. Tom Schons, Secretary-Treasurer of the Fargo Firefighters Pension Association appeared before the committee. A copy of his testimony is attached. Senator C. Nelson asked Mr. Schons to explain the 13th check. Mr. Schons indicated that the 13th check is specifically driven by the years portfolio returned for that year. What it is, is like a bonus. At the end of the year if our actuary and our portfolio shows a minimum of say 8% and the actuary gives the approval to declare a 13th check we then issue one months pension salary as a 13th check to all pensioners. This is strictly tied to the returns for that year. What you are looking at approving today is a one shot deal. It's not going to happen every year from here on. It's over the next two years we would do it every year. It's an option but we tie it directly to our return. Our return for 2000 was 3.7. This would be a year we would probably not get the OK to do this. Our actuary and our portfolio would not support this. Our retirees are fine with that. As long as the fund is doing well they'd like to see some increases. If the fund has a bad year they understand that this isn't something that is mandated. Chairman Krebsbach wondered if this is the first year that this has been done. Mr. Schon indicated that this is the first year they have gone to the 13th check. When they were out here two years ago they went for a 2% each year. They were happy with that and if you run the numbers, by far that's better for the retirees. But, our retirees are a little older and I think your mentality changes a little bit as far as funds available and they like the idea of a big check at Christmastime. Our pension isn't what it should be and there aren't a lot of, we're not sending out a lot of big checks every month. Actually I didn't run into any negativity on the 13th check as opposed to the 2%. This was brought to us by the actuary who said guys, this is cheaper for you. It can be done much more quickly. They can get their money much faster. We ran it by our retirees and got a very favorable response. We do

feel a responsibility to include them for input on any increases we try to give them. Chairman Krebsbach inquired about the 1.5% that you are banking on your reserve. That has just taken place in the last year or the last two years? Mr. Schons Indicated that was correct. We just implemented that and this is the first actuary where we are actually impacted, where it actually takes away some of our funding. We will be doing this from now on every year. Senator C. Nelson inquired how many are retired and how many are active in your organization? Mr. Schons indicated they have 83 active and 67 retirees. There will be a lot more retirees. This year there will be from 5 to 7 retirees. Those retirees are not included in this actuary. Those are typical cycles that we see. When benefits increase there is a lot more incentive to leave. We can't argue with the fact that it is a young man's game. Our job as a board is to make the most funds available at the youngest age. Senator Dever are we just talking about Fargo Firefighters Association here? How many associations are there in the state? Mr. Schons indicated that he was specifically talking about Fargo although Bismarck and Fargo are under the same century code. Senator Dever but, separate funds? Mr. Schons for many years we would come in and maybe do little changes that would best fit our association. Over the last few years, he has been secretary for 15 years and he remembers times when they were not funded. Bismarck has always done very well. However, what fits Bismarck may not fit Fargo. For our plans to go separate ways is definitely best. Senator Kilzer do your active firefighters have social security withheld from your paychecks? Mr. Schons This is a big point with us. We do not have social security. We are the sole retirement benefit program that they have to rely on. Senator Kilzer indicated that he noticed that your annual cost of the plan as a percentage of payroll is 16.5%. Mr. Schons indicated that the city is not contributing as much as they could or should but the firemen have been comfortable with the contribution. I think that is right around the social security rate. If

you did a check of the cities in North Dakota, all of the cities contributions to those plans are different. That is a negotiated item. Chairman Krebsbach noticed that the multiplier is increasing to the 2.5 and what did you determine to be your objective. Mr. Schons indicated 2.5 puts them at 75% with 30 years of service if you are at the age of 55. Again he comes back to that 90%, what would our multiplier have to be to be at 90% without social security? For the past 4 years our pensions have always been based on the lowest paid employee. What we were able to do this year is we went for a 6 month education process with our 83 members of which about 54 are first class firefighters and overwhelmingly they voted in favor of this change. That your pension would be based on your average of your last five years. We are very excited about that. Chairman Krebsbach I certainly thank you for your information. It is very well put together and very useful to the committee. Senator C. Nelson indicated that she has spoken with the mayor of Fargo and he had indicated that he and the city commission support the program. Bill Wocken, City Administrator for the city of Bismarck appeared before the committee. At the present time the city of Bismarck does not have the actuarial data and the financial data to do the final analysis such as the city of Fargo has done, however he indicated that Bismarck is in the process of getting that information from the firefighters pension. He believes that the benefits that have been talked about in this particular bill are very reasonable benefits and he is pleased to see that the city of Fargo has been able to endorse those benefits. Actuarial soundness is the hallmark of pension plans and that is what the city of Bismarck is in the process of determining. At this point the board of city commissioners has seen fit to budget some additional funds for the fire pension program this year however, they've not yet determined how those funds will be utilized. He indicated that because of the efforts of the Fargo firefighters and the city of Fargo, Bismarck would lend it's support to SB 2057. Chairman Krebsbach inquired where Bismarck

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Senate Government and Veterans Affairs Committee

Bill/Resolution Number SB 2057

Hearing Date January 25, 2001

was at with their multiplier? Mr. Wocken indicated he was not sure and would defer that to others who are appearing on this bill. Brooks Martin, member of the Bismarck Fire Department indicated that the multiplier is presently 2% and they are hoping to get it to 3%. There was nothing further at this time. Chairman Krebsbach closed the hearing at this time. A motion for a Do Pass was made by Senator Wardner, seconded by Senator Dever. Roll Call vote indicated 6 Yeas, 0 Nays, and 0 Absent or Not Voting. Senator C. Nelson will carry the bill.

FISCAL NOTE STATEMENT

Senate Bill or Resolution No. 2057

This bill or resolution appears to affect revenues, expenditures, or fiscal liability of counties, cities, or school districts. However, no state agency has primary responsibility for compiling and maintaining the information necessary for the proper preparation of a fiscal note regarding this bill or resolution. Pursuant to Joint Rule 502, this statement meets the fiscal note requirement.

John Walstad
Code Revisor

REPORT OF STANDING COMMITTEE (410)
January 25, 2001 11:49 a.m.

Module No: SR-13-1601
Carrier: C. Nelson
Insert LC: . Title: .

REPORT OF STANDING COMMITTEE

SB 2057: Government and Veterans Affairs Committee (Sen. Krebsbach, Chairman)
recommends **DO PASS** (6 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). SB 2057
was placed on the Eleventh order on the calendar.

2001 HOUSE GOVERNMENT AND VETERANS AFFAIRS

SB 2057

2001 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SB 2057

House Government and Veterans Affairs Committee

☐ Conference Committee

Hearing Date 3/1/01

Tape Number	Side A	Side B	Meter #
1	X		1410-4478
		X	2472-2550
Committee Clerk Signature <i>Robin L. Small</i>			

Minutes:

REP. M. KLEIN called the hearing to order with all members present.

In favor:

SEN. GRINDBERG introduces the bill. GRINDBERG is one of the sponsors on the bill.

REP. BELLEW asks why isn't this under the local? GRINDBERG states that he will let someone else address that issue.

REP. HAWKEN speaks on behalf of the bill to the committee, HAWKEN is also one of the sponsors on the bill. HAWKEN is representing the Fargo firefighters.

SEN. C. NELSON also peaks on behalf of the bill to the committee, she too is one of the sponsors. NELSON states that they have worked very hard. There are 83 members in the Fargo fire department. NELSON urges a do pass.

In favor:

Page 2

House Government and Veterans Affairs Committee

Bill/Resolution Number SB 2057

Hearing Date 3/1/01

THOMAS SCHONS, SECRETARY-TREASURER, FARGO FIREFIGHTER'S PENSION FUND

Please see attached testimony.

REP. M. KLEIN asks if they took out the COLA? SCHONS replies yes they did.

REP. M. KLEIN asks if they receive social security benefits? SCHONS replies no, they do not.

There are 68 retired firefighters and 83 active ones.

REP. M. KLEIN asks for an explanation of a first class firefighter. SCHONS states that it is top pay to a non-classified officer.

REP. M. KLEIN asks what is the fund value and who runs it? SCHONS replies that it is \$15 million and Morgan Stanley runs it.

REP. M. KLEIN asks do you monitor it or balance it against anything? SCHONS replies that they did the money manger thing.

REP. M. KLEIN asks about the 13th paycheck, the guidelines. SCHONS replies that it is tied to a 7 % gain, based on the year.

REP. KASPER asks what five American funds that they are in? SCHONS was not all that sure.

REP. KASPER figured it out what they were in.

REP. BELLEW asks why wouldn't the association be under the city? SCHONS replies the city likes to get their hands on those funds.

REP. METCALF asks what is the contribution to the plan? SCHONS replies that it is 7.9%.

In favor:

BILL WOOKEN, CITY ADMINISTRATOR OF BISMARCK

Please see attached testimony.

In favor:

Page 3
House Government and Veterans Affairs Committee
Bill/Resolution Number SB 2057
Hearing Date 3/1/01

MATTHEW WILKE, SELF

WILKE urges a do pass.

REP. M. KLEIN asks doe s the Bismarek firefighters receive social security? WILKE states that they do not.

No opposition.

Being there was no further testimony the hearing was then closed.

Action was taken later that day.

REP. GRANDE motioned for a DO PASS, seconded by REP. KASPER. The roll call was taken with 15 YES, 0 NO. The motion carries. The CARRIER of the bill is REP. CLARK.

SB 2057: DO PASS 15-0

CARRIER: REP. CLARK

Date: 3-1-01

Roll Call Vote #: 1

2001 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 2057

House GOVERNMENT AND VETERANS AFFAIRS Committee

☐ Subcommittee on _____

or

☐ Conference Committee

Legislative Council Amendment Number _____

Action Taken No Pass

Motion Made By Grande Seconded By Kasper

Representatives	Yes	No	Representatives	Yes	No
CHAIRMAN KLEIN	✓		REP KROEBER	✓	
VICE CHAIR GRANDE	✓				
REP BELLEW	✓				
REP BRUSEGAARD	✓				
REP CLARK	✓				
REP DEVLIN	✓				
REP HAAS	✓				
REP KASPER	✓				
REP KLEMIN	✓				
REP MEIER	✓				
REP WIKENHEISER	✓				
REP CLEARY	✓				
REP HUNSKOR	✓				
REP METCALF	✓				

Total (Yes) 15 No 0

Absent _____

Floor Assignment Rep. Clark

If the vote is on an amendment, briefly indicate intent:

REPORT OF STANDING COMMITTEE (410)
March 1, 2001 12:50 p.m.

Module No: HR-35-4595
Carrier: Clark
Insert LC: . Title: .

REPORT OF STANDING COMMITTEE

SB 2057: Government and Veterans Affairs Committee (Rep. M. Klein, Chairman)
recommends **DO PASS** (15 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). SB 2057
was placed on the Fourteenth order on the calendar.

2001 TESTIMONY

SB 2057

**REPORT OF THE LEGISLATIVE COUNCIL'S
EMPLOYEE BENEFITS PROGRAMS COMMITTEE
SENATE BILL NO. 2057**

Sponsors: Senators Tony Grindberg and Carolyn Nelson and Representative Kathy Hawken

Proposal: Provides that a firefighters relief association may adopt an alternate pension plan for its members with a service benefit of 2.5 percent of final salary with final salary for a first-class firefighter being the final salary at the time of the member's retirement and final salary for officers or members of higher rank being the average salary for the last five years of employment; and provides a postretirement adjustment of two percent of the member's present benefits.

The committee amended the bill at the request of the sponsor to include a disability benefit and replace the postretirement adjustment of two percent of the member's present benefit with a 13th check.

Actuarial Analysis: The actuarial consultant reported that the cost of the increase in the benefit multiplier from 2.33 percent to 2.50 percent and the change in the definition of final average salary would increase the annual cost to the percent of payroll 2.72 percent, the 13th check would cost .11 percent, for a total change of 2.83 percent. The actuarial funding margin for the year 2000 actuarial valuation for the Fargo Firefighters Relief Association is preliminarily projected to be between 3.55 percent and 4.55 percent of payroll. Thus, the amount by which actual contributions will exceed required contributions appears to exceed the cost of these improvements by .72 percent to 1.72 percent of covered payroll. Although the actuarial consultant had not yet determined the cost impact for the disability benefit change, the actuarial consultant reported that the change will produce a cost-savings to the plan because disability pensions occurring in the first five years of membership will be reduced.

Committee Report: Favorable recommendation.



(1)

OFFICE OF THE MAYOR
Bruce W. Furness

October 6, 2000

To Whom It May Concern:

At its October 2, 2000 meeting, the Board of Commissioners of the City of Fargo officially endorsed the enhancements to the Fargo Firefighters' Pension Association described on the enclosed document.

We encourage your support of these changes as the bill moves through the legislative process. Thank you for your positive consideration.

Sincerely,

A handwritten signature in black ink, appearing to read "Bruce W. Furness", written in a cursive style.

Bruce W. Furness
Mayor

BWF:bh
Enclosure
cc: Thomas Schons
ffire5

Fargo-Moorhead



2000

Syracuse Way
50
Road, Colorado
5722
4-9900
03-714-9990

November 13, 2000

Board of Trustees
Fargo Firefighter's Relief Association
Retirement Plan
Fargo, North Dakota 58102

Dear Trustees:

It is a pleasure to submit this report that presents the results of our actuarial valuation of the Fargo Firefighter's Relief Association Retirement Plan as of May 1, 2000.

Periodic actuarial valuations of the Retirement Plan are required to determine if the assets and contributions are sufficient to provide the prescribed benefits. The contribution requirements presented in this report are based on:

1. The Constitution and By-Laws of the Fargo Firefighter's Relief Association, as amended;
2. The characteristics of covered active employees, inactive non-retired participants, and retired participants and beneficiaries as of May 1, 2000;
3. The assets of the Plan as of April 30, 2000;
4. Economic assumptions regarding future salary increases and investment earnings; and
5. Other actuarial assumptions regarding employee terminations, retirement, disability, death, etc.

The annual cost of the Plan is \$530,666. This cost, expressed as a percent of the May 1, 2000 First Class Firefighters' Salary (\$3,222 per month) for 83 active members, is 16.54%.

This report's actuarial contents were prepared in accordance with accepted actuarial principles and practices under the direction of Leslie L. Thompson, A.S.A., M.A.A.A., E.A.

Board of Trustees
Fargo Firemen's Relief Association
November 13, 2000
Page 2

(3)

The financial information was supplied to us by Fiebiger, Swanson, West & Co., Certified Public Accountants. The Association's staff provided us with the participant census data. Their assistance is gratefully acknowledged.

We are available to answer any questions you may have regarding this report.

Sincerely,

A handwritten signature in cursive script, appearing to read "Leslie L. Thompson".

Leslie L. Thompson, A.S.A., M.A.A.A., E.A.
Vice President and Consulting Actuary

LLT:cvm

Enclosure

113381/02823.001

A. ACTUARIAL VALUATION RESULTS

The valuation was made with respect to the following data as of May 1, 2000:

- a. 54 retired and disabled participants and 14 beneficiaries
- b. 0 terminated vested participants
- c. 52 active fully-vested participants
- d. 31 active non-vested participants

The actuarial factors as of the valuation date are as follows:

1. Normal cost, beginning of year.....	\$ 391,015
2. Actuarial accrued liability	
Retired and disabled participants and beneficiaries.....	\$8,878,635
Terminated vested participants not yet in pay status	0
Active participants	<u>8,068,479</u>
Total	\$16,947,114
3. Actuarial value of assets	14,455,282
4. Unfunded actuarial accrued liability	2,491,832
5. Amortization of unfunded actuarial accrued liability over 37 years as a level percentage of payroll (4% payroll growth).....	118,744
6. Annual cost of plan, beginning of year	509,759
7. Annual cost of plan (assuming contributions made monthly):	
As a dollar amount	\$ 530,666
As a percentage of payroll	16.54%
8. Projected annual payroll (based on first class firefighter salary on May 1, 2000)	\$3,209,112

The following plan was made since the preceding valuation:

- The benefits for pensioners (including disableds and beneficiaries) were increased by 2% effective January 1, 2000.

This change reduced the plan's projected margin from \$153,267 (4.78% of payroll) to \$144,852 (4.51% of payroll).

Below is a summary of the projected margin for 2000.

	<u>Amount</u>	<u>As a Percentage of Payroll</u>
1. Projected payroll for 2000	\$3,209,112	N/A
2. Annual cost of plan; assuming contributions are made monthly	530,666	16.54%
3. Expected contributions		
a. Active participants	\$ 253,520	7.90%
b. City of Fargo	<u>421,998</u>	<u>13.15%</u>
c. Total expected contributions (a) + (b)	\$ 675,518	21.05%
4. Projected margin, coming year (3) - (2)	\$ 144,852	4.51%

Expected 2000 contributions are 21.05% of payroll, leaving a projected margin for 2000 of 4.51% of payroll.

The Governmental Accounting Standards Board (GASB) issued Statement No. 25 that establishes financial reporting standards for defined benefit pension plans of all state and local governmental entities.

Table 1 shows two schedules required by GASB No. 25, the Schedule of Funding Progress and the Schedule of Employer Contributions.

100 S. Syracuse Way
Suite 750
Englewood, Colorado
80111-6722
13-714-9900
FX: 303-714-9990

June 1, 2000

Mr. Thomas Schons
Secretary-Treasurer
Fargo Firefighter's Pension Fund
637 N.P. Avenue
Fargo, ND 58102

Re: Fargo Firefighter's Pension Fund — Benefit Improvements as of January 1, 1999

Dear Tom:

As requested, we have determined the cost impact of the proposed plan changes to the Fargo Firefighter's Pension Fund. The proposed changes are as follows:

1. Increase the **benefit multiplier** for current active firefighters from 2.33% to 2.50%.
2. Base **final salary** for service retirement benefits of current active firefighters with "blue shirt" status as earnings at retirement. For officers or firefighters of higher rank, final salary is the average earnings for the last five years of employment. Earnings will be base salary, excluding overtime and longevity payments.

Please note that we have made the following assumptions for this plan change:

- Final salary for firefighters with "blue shirt" status can not be less than the First Class Firefighter's salary.
 - City and member contributions are based on the First Class Firefighter's salary.
 - Final salary for disability and death benefits is based on the First Class Firefighter's salary.
3. Provide a one-time **4.0% cost-of-living increase** for current retirees and surviving spouses receiving benefits. Monthly benefits would increase 2.0% on August 1, 2001 and August 1, 2002.
 4. Provide a **13th check** to current retirees and surviving spouses receiving benefits.

The enclosed exhibit summarizes the results of our study. Please note that the estimated funding margin depends on the City and member contributions. This study assumes that the City continues to contribute 13.15% of payroll and members contribute 7.90% of payroll.

The participant census data used in the cost studies was provided to us for the actuarial valuation of the Plan as of January 1, 1999. Earnings were based on the grade and step of the firefighter as of January 1, 2000. The current plan provisions are summarized in Exhibit II of the Actuarial Valuation report; the actuarial assumptions are the same as those used for the January 1, 1999, actuarial valuation and are shown in Exhibit I of the Actuarial Valuation report.

Tom, please note that the actuarial value of assets used in the cost studies was the market value of assets as of January 1, 1999 (\$12,981,409). Our March 14, 2000 letter shows the impact of changing the method of determining the actuarial value of assets to a 5-year smoothing method as of January 1, 2000. That letter showed an estimated cost of 1.36% of payroll to change from a market value to a 5-year smoothing method. Concurrent with the upcoming valuation we could assess the cost impact of implementing all plan and asset method changes simultaneously.

If you have any questions concerning the results of this study, or if we can be of further assistance, please let us know.

Sincerely,



Roderick B. Crane, J.D.
Vice President

nrs

cc: Leslie Thompson

110391/02823.004

SEGAL COMPANY

(8)

41 S. Syracuse Way
Suite 750
Englewood, Colorado
80111-6722
(303) 714-9900
AX: 303-714-9990

March 14, 2000

Mr. Thomas Schons
Secretary-Treasurer
Fargo Firefighter's Pension Fund
637 N.P. Avenue
Fargo, North Dakota 58102

Re: Fargo Firefighter's Pension Fund - Projected Funding Margin as of January 1, 2000

Dear Tom:

As requested, we have estimated the funding margin as of January 1, 2000 under two scenarios.

Scenario #1 is based on the current method for determining the actuarial value of assets; that is, the actuarial value is equal to the market value.

Scenario #2 is based on a 5-year smoothing method for the determination of the actuarial value of assets. The proposed smoothing method results in an asset value equal to the prior year's actuarial value of assets plus net new money, expected investment return, and 20% of each of the previous five years' gain/(loss) due to investment return greater/(less) than expected. The actuarial value of assets is further limited to not less than 80% nor greater than 120% of market value. We have determined the actuarial value of assets as of January 1, 2000 assuming the new method began on January 1, 1999, with the actuarial value equal to the market value on that date.

We have estimated the Fund's liabilities as of January 1, 2000 based on the participant data, plan provisions, and actuarial assumptions as of January 1, 1999. In addition, we have assumed the payroll for the year 2000 will be 4% higher than the projected payroll for 1999. The projected payroll for 1999 was \$3,093,696; the projected payroll for 2000 is \$3,217,444. *The actual liabilities of the Fund as of January 1, 2000 will differ from this estimate if the participant data, plan provisions, or actuarial assumptions change between January 1, 1999 and January 1, 2000.*

We have estimated the total actuarial accrued liability as of January 1, 2000 to be \$16,705,751.

The following table summarizes the results of our study. Please note that the estimated surplus depends on the City and participant contributions. This study assumes the City continues to contribute 13.15% of payroll and participants contribute 7.90% of payroll.

Fargo Firefighter's Pension Fund

Results of Cost Study

	(1)	(2)	(3)	(4)	(5)
	01/01/1999 Valuation	2.50% Multiplier	Final Average Salary	4.00% Cost-of-living	13th Check
Total Annual Required Contributions					
- Amount	\$529,563	\$583,214	\$557,848	\$540,022	\$613,695
- % of Payroll	17.12%	18.85%	18.03%	17.46%	19.84%
Expected Member and City Contributions					
- Amount	\$651,223	\$651,223	\$651,223	\$651,223	\$651,223
- % of Payroll	21.05%	21.05%	21.05%	21.05%	21.05%
Funding Margin					
- Amount	\$121,660	\$68,009	\$93,375	\$111,201	\$37,528
- % of Payroll	3.93%	2.20%	3.02%	3.59%	1.21%
Cost of Change					
- Amount	N/A	\$53,651	\$28,285	\$10,459	\$84,132
- % of Payroll	N/A	1.73%	0.91%	0.34%	2.72%

$$(1) + (2) + (4) = 2.5\%$$

Note: Results reflect monthly contributions.

	1/1/1999 Valuation	Scenario #1	Scenario #2
Actuarial Value of Assets	\$12,981,409	\$14,864,071	\$13,981,204
Total Annual Required Contribution			
-- Amount	\$529,563	\$492,688	\$536,484
-- % of Payroll	17.12%	15.31%	16.67%
Expected Contributions			
-- Amount	\$651,223	\$677,272	\$677,272
-- % of Payroll	21.05%	21.05%	21.05%
Funding Margin			
-- Amount	\$121,660	\$184,584	\$140,788
-- % of Payroll	3.93%	5.74%	4.38%

If you have any questions concerning the results of this study, or if we can be of further assistance, please let us know.

Sincerely,



Roderick B. Crane, J.D.
Vice President

nrs

108656/02823.009

Testimony before the House Government/Veterans Affairs Committee
Senate Bill 2057
March 1, 2001

Good morning Mr. Chairman and committee members. My name is Bill Wocken. I am City Administrator for the City of Bismarck. I am appearing in support of SB 2057 this morning.

Bismarck and Fargo are the only communities affected by this bill. Since you have heard about Fargo's plans for its firefighters I felt it appropriate to tell you about the Bismarck perspective on this bill.

Bismarck is in the process of reviewing all three of its pension plans (Fire, Police, City Employee) with an eye toward commensurate benefits and an equitable contribution of city revenue to each plan. We have not yet completed this analysis but are making progress with it.

We do not anticipate offering the same benefits Fargo proposes at this time, but we have no problem allowing Fargo to offer these improved provisions. Page 1, Lines 6 and 7 of this bill make all new benefits subject to approval of the city governing body. With that language intact we can support this bill.

Thank you for allowing me to speak to you this morning.