RESTATED BYLAWS

OF
SHAKOPEE FIRE DEPARTMENT
RELIEF ASSOCIATION

The Bylaws of the Relief Association are hereby amended in their entirety and restated effective as of May 7, 2019.

ARTICLE I
NAMES

As provided in the Articles of Incorporation, the name of this organization shall be the Shakopee Fire Department Relief Association (the "Association"). The Shakopee Fire Department Relief Association is exempt from Federal income tax under section 501(c)(3) of the Internal Revenue Code. Contributions to the Association are tax deductible under section 170 of the Code.

ARTICLE II
DEFINITIONS

General Definitions

Whenever appropriate, words used herein in the singular shall include the plural, the plural may be read as the singular, and the masculine shall include the feminine.

The following words and phrases when used herein shall have the following meanings except as otherwise required by the context in which they are used:

"Active Member" is a member of the Association who is eligible for benefits and is currently meeting the minimum firefighter and service standards of the Shakopee Fire Department Relief Association, Active Members must be Volunteer Firefighters as defined in Appendix B Section 2.1.bb of the Plan attached hereto.

"Board of Trustees" or "Board" shall mean the Board of Trustees of the Relief Association, and shall perform the functions and assume the same duties as a Board of Directors under Minnesota Statutes, Chapter 317A.

"Deferred Member" is a member of the Association who has retired or been terminated from the Fire Department but has not taken a distribution of benefits.

"Fire Department" is the Fire Department serving the Municipality.

“General Fund” shall mean the fund established pursuant to Minnesota Statutes, Section 424A.06 that holds the funds received from dues, fines, initiation fees, entertainment revenues and any money or property donated, given, granted or devised by any person, for unspecified uses.

“Material Financial Interest” is a financial interest or expectation of any kind on the part of a Board member or Relative, which is substantial enough to reasonably affect the judgment of the Trustee who has a conflict of interest. The term “financial interest” includes any and all monetary expectations and exists when a Board member or Relative has rights (whether or not a Deferred Member or beneficiary) to be paid compensation, retiree benefits, or to have their expenses reimbursed or obligations or other liabilities repaid, etc. (See Article IX Fiduciary Responsibility.)

“Municipality” is the City of Shakopee.

“Municipal Trustees,” formerly known as ‘ex-officious,’ are members of the Board of Trustees designated solely by the Municipality and shall include the two appointed or elected officials and the fire chief, as further defined in Section 5.1 herein.

“Relative” is a member of one’s family and includes spouses, parents, children, siblings, in-laws, aunts, uncles, first cousins, step-parents, step-children, and may include other family members such as common-law partners or long-time companions, of a Trustee who has a conflict of interest. (See Article IX Fiduciary Responsibility.)

“Special Fund” shall mean the fund as defined in Section 2.1 of the Plan attached hereto.

“Supermajority” is required when there is a conflict of interest on an item to be voted on by the Board of Trustees because one or more Trustees have a Material Financial Interest. A Supermajority is the majority of those Trustees after subtracting the Trustee(s) who has a conflict of interest (e.g., Nine (9) Trustees less two (2) with a conflict = Seven (7). Supermajority would require four (4) Trustees to vote in favor to pass the motion). (See Article IX Fiduciary Responsibility.)

ARTICLE III
PURPOSE

As provided in the Articles of Incorporation, the purpose of the Association is to provide retirement relief and other benefits to members and their dependents. For purposes of Chapter 424A of Minnesota Statutes, the Association is a governmental entity that receives and manages public funds to provide retirement and ancillary benefits for individuals providing the governmental services of firefighting and, if applicable, emergency response. The Association may also raise funds from private sources to furnish fire and emergency equipment for the Fire Department, and for other purposes deemed necessary and appropriate by the Association to the extent permitted by law. Benefits paid to members and their dependents shall be funded exclusively through governmental sources and, to the extent provided by State law, through restricted donations.

ARTICLE IV
MEMBERSHIP

4.1 Admission. All firefighters of the Fire Department are members of the Association and shall be eligible for benefits, except as otherwise stated in these bylaws. An application for membership shall be completed on the Membership Application and Beneficiary Designation form to become eligible for benefits in the Association. Upon approval of the member's application, such member shall accrue service credit for all active service while in probationary status and meeting the minimum 35% service standards.

4.2 Membership Duties. The Association does not require membership duties.

4.3 Dues. Annual member dues, if any, shall be determined in the annual meeting, and may be modified at any regular or special meeting of the membership. The members shall adopt written policies and procedures for the collection of dues, including penalties for the failure to timely pay dues. Penalties may include classifying members who are not current with their dues as ineligible to accrue active service credit during the period or periods while dues are outstanding. Penalties for failure to pay dues shall not include forfeiture of benefits that have accrued prior to such failure. Volunteer Firefighter's Benefit Association of Minnesota annual dues shall be paid for each member, paid or volunteer, from the special fund.

4.4 Member Voting Rights. Each Active Member shall be entitled to one (1) vote on any matter voted upon by the membership. Deferred Members are not entitled to vote. Voting by proxy/absentee ballot is permitted following the procedures set forth in Section 4.5.

4.5 Proxy/Absentee Ballot. *Member Voting*: If permitted by the Board prior to a meeting, voting members may cast votes by submitting an absentee ballot provided by the Board that is signed by the member and deposited in the ballot box set out by the Board. Submission of an absentee ballot shall constitute a proxy to the officer of the Association designated and authorized on the ballot who is bound to cast the member's vote in accord with the member's ballot choices. The member may withdraw his/her proxy/absentee ballot by attending a meeting and voting in person. Use of proxies/absentee ballots may only be used on items listed on the ballot and may not be used when trustees and/or officers are elected from the floor during the meeting.

Counting Ballots: If ballots were used because there were more than two candidates for any Trustee position up for election as indicated under Section 7.2, an officer of the Association who is not standing for election shall count the ballots as follows: All first choices are counted, and if no candidate wins a majority of first choices, then the last place candidate is eliminated. Ballots of voters who ranked the eliminated candidate first are redistributed to their next choice candidates, as indicated on each voter's ballot. Last place candidates are successively eliminated and ballots are redistributed to next choices until one candidate remains or a candidate gains a majority of votes.

In case of a tie resulting from the above procedure, the candidates receiving the two highest number of votes shall be placed into new balloting to be affected at the meeting. The previously submitted proxy/absentee ballots shall be recounted using the above procedures for the two candidates who have tied. Simultaneously, members present at the meeting will recast their vote for the two candidates who have tied. Additional balloting including the proxy/absentee ballots for said office shall continue until one candidate shall receive a majority of votes cast on a reballot and he shall be elected to said office.

4.6 Separation. For records retention and administration of the Association, the Board may request that a Deferred Member complete and submit a Membership Separation Form.

4.7 Member Recognition. The Association may continue to honor members whose status has changed between volunteer/paid on-call and full- or part-time employee of the same Fire Department. The members shall adopt written policies and procedures, including any eligibility or types of recognition.

4.8 Termination. Any member who is terminated by the Fire Department or Municipality shall cease accruing benefits under the Association as of the date of termination.

ARTICLE V
BOARD OF TRUSTEES

5.1 Composition. The Board of Trustees shall consist of nine (9) members. Six (6) trustees shall be elected from the active members with at least one year of service in the relief association. There shall be three (3) officials drawn from the Municipality. The three (3) Municipal Trustees must be the Mayor, the Finance Director of the Municipality, and the chief of the municipal fire department. The Municipal Trustees must be designated annually by the City Council of the Municipality.

5.2 Duties. The Board of Trustees shall perform the functions and assume the same duties as a Board of Directors under Minnesota Statutes, Chapter 317A. In addition, the Board of Trustees shall:

(a) Have exclusive control and management of all funds received by the Treasurer pursuant to the statutes of the State of Minnesota and all moneys or property donated, given, granted or devised for the benefit of the Association.

(b) Examine the books, papers, funds, securities and property in the custody of the Treasurer, and general accounts, funds and securities, and property of the Association.

(c) Examine and approve the validity of all claims prior to payment by the Treasurer.

(d) Provide the forms on which members may submit claims to the Board of Trustees for their approval.

(e) On an annual basis or more frequently as may be required to determine eligibility for benefits, confirm minimum firefighter and service standards pursuant to the Volunteer Firefighter definition in Section 2.1 of the Plan attached hereto.

(f) Assume such additional duties as may be described in Article IX herein and in Association policies and procedures or required by state law including the establishment of any committee deemed necessary or appropriate.

ARTICLE VI
OFFICERS

6.1 Number. The number of officers of the Association and their duties shall be as set forth below.

6.2 President. It shall be the duty of the President of the Association to:

(a) Have general active management of the business of the corporation;

(b) When present, preside at meetings of the Board and of the members;

(c) See that orders and resolutions of the Board are carried into effect;

(d) Sign and deliver in the name of the corporation bonds, contracts, or other instruments pertaining to the business of the corporation, except in cases in which the authority to sign and deliver is required by law to be exercised by another person or is expressly delegated by the articles or bylaws or by the Board to another officer or agent of the corporation. (e) Maintain records of and, when necessary, certify proceedings of the Board and the members; and

(f) Perform other duties prescribed by the Board.

6.3 Pro Tem Officers. In the absence of the President and Vice President, if applicable, the Board of Trustees shall appoint an interim President from the existing Officers and/or Trustees other than the Municipal Trustees, who shall perform the duties applicable to the office.

6.4 Vice President. It shall be the duty of the Vice President to perform the duties of the President in the President's absence.

6.5 Secretary. It shall be the duty of the Secretary of the Association

(a) Keep a record showing the correct addresses of all members and request the names of their beneficiaries.

(b) Keep or cause to be kept an accurate record of all meetings of the Association and of all meetings of the Board of Trustees.

(c) Conduct and direct the investigation of all claims.

(d) Keep a record of all monies received and paid out by the Treasurer.

(e) Provide access to the Association's Articles, Bylaws, minutes, and financial statement on the last annual accounting period to all members or all Board of Trustees (including the Municipal Trustees), for any proper purposes they may have, in accord with Minnesota Statutes, Section 317A.461.

6.6 Treasurer. It shall be the duty of the Treasurer of the Association to:

(a) Receive and receipt all monies due the Association from members and other sources and to keep accurate accounts and records of all the money so received.

(b) Have custody of all monies and securities belonging to the Association.

(c) Furnish a surety bond in favor of the Association for the faithful performance of all duties involving the Association and for the safekeeping of, or accounting for, all monies and securities that may come into its possession. The bond shall be in an amount equal to at least 10% of the assets up to a maximum of $500,000.

(d) Pay all properly approved claims for benefits, and to pay all bills incurred in the way of necessary expenses in the conduct of the business of the Association and to keep accurate accounts and records of all the money so paid.

6.7 General Duties.

(a) It shall be the duty of any two (2) officers of the Association to countersign all checks issued by the Association.

(b) The officers shall annually prepare an annual financial report of the Association's receipts, disbursements, and balances in the Special and General Funds for the preceding calendar year on a form prescribed by the Office of the State Auditor. They shall transmit the report to the city clerk or clerk-treasurer of the Municipality for inspection, signature and transmission to the State Auditor pursuant to law.

(c) Pursuant to the Volunteer Firefighter Relief Association Financing Guidelines Act of 1971, the officers of the Association shall, annually, determine the financial requirements of the Special Fund for the following year. The financial

requirements of the relief association and the minimum municipal obligation must be included in the financial report or financial statement.

6.8 Compensation. As compensation for services to the Association by the officers, the Board of Trustees may at its annual meeting authorize payment of an aggregate salary expense payable from the Special Fund to one (1) or more of these officers. The remaining trustees may receive a nominal fixed payment from the General Fund.

ARTICLE VII
ELECTIONS

7.1 Trustee Terms. The Trustees shall be elected to staggered three-year terms. There will be two (2) Trustees, named Trustee 1 and Trustee 2, elected by the membership at the annual meeting of the Association, and begin their individual terms on May 1 following the meeting.

Each appointed Municipal Trustee term is one (1) year or until the person's successor is qualified, whichever is later. The term of a Municipal Trustee shall terminate upon termination of the Trustee's position with the Municipality.

An individual Trustee may serve an unlimited number of terms.

7.2 Voting on Trustees. Each of the positions on the Board of Trustees who are not the Municipal Trustees shall be voted on separately by the Active Members in attendance at the annual meeting. No nominations of slates of candidates or cumulative voting shall be allowed. All votes unless specified prior to the vote, shall be conducted by a voice vote. A simple majority of those present at the meeting is needed to elect. If a simple majority cannot be determined by voice vote, the officer in charge of the vote shall ask for a show of hands or for a secret ballot. A trustee who was elected by the membership may be removed with or without cause by a simple majority vote of the Active Members in any subsequent annual, regular or special meeting.

If allowed by the Board of Trustees under Section 4.5, a proxy/absentee ballot may be used to perform "runoff voting" if there are more than two candidates for any Trustee position up for election and Active Members must rank candidates by order of preference. See Section 4.5 for counting ballots.

7.3 Officer Terms. The offices of President, Vice President, Secretary, and Treasurer shall be elected to three-year terms, and begin their individual terms May 1 following the meeting.

The office of President shall be nominated and elected separately to a three-year staggered term every third year.

The offices of Vice President and Secretary shall be nominated and elected separately to a three-year staggered term every third year.

The office of Treasurer shall be nominated and elected separately to a three-year staggered term every third year.

7.4 Voting on Officers. Officers are elected by the Active Members each year at the annual meeting of the Association. Each position will be nominated and elected separately at this meeting. All votes unless specified prior to the vote, shall be conducted by a voice vote. A simple majority is needed for an officer to be elected. If a majority cannot be determined by voice vote, the officer in charge of the vote shall ask for a show of hands or for a secret ballot. Voting by proxy/absentee ballot will be allowed under Section 4.5. An officer may be removed with or without cause by a simple majority vote of the Active Members in any subsequent annual, regular or special meeting.

No individual may hold more than one (1) officer position at one (1) time.

7.5 Officer and Trustee Vacancies. In the case of death, resignation or removal from office for any elected officer or Trustee of the Association, except a Municipal Trustee, the vacancy shall be filled by the Active Members at a special meeting to be duly called for the purpose of filling out this term. In the event an officer fails to retain his position as an elected Trustee, he must vacate his officer position pursuant to Minnesota Statutes, Chapter 424A Volunteer Firefighters' Retirement.

ARTICLE VIII
MEETINGS

8.1 Annual Meeting of the Members. The annual (regular) meeting of the members shall be held in April of each year. The place of the meeting shall be designated and may be changed from time to time by the Board of Trustees.

8.2 Regular Meetings of the Members. Other regular meetings of the members shall be held quarterly, on the fourth Monday during the months of January, April, July, and October. ~~third Monday of every other Month starting in February except if that day is a holiday, said meeting shall be held on the next available Monday~~. The place of the meeting shall be designated and may be changed from time to time by the Board of Trustees. The schedule of the regular meetings on file at primary offices is sufficient for notice unless time or location is changed.

8.3 Special Meetings of the Members. Special meetings of the members may be called at any time upon the written order of the President and one (1) other member of the Board of Trustees, or six (6) voting members of the Association. The place of the meeting shall be designated and may be changed from time to time by the Board of Trustees.

8.4 Notice of Meetings of the Members. A notice of every annual and any special meetings of the members shall include the date, time, place and purpose of the meeting and be *posted* on the bulletin board of the Association, or if no bulletin board, on the door of its usual meeting room; *and* in accord with Minnesota Statutes, Section 317A.433 Sub 4, business at a special membership meeting must be limited to the stated purpose; *and further* in accord with Minnesota Statutes Section 317A.435, each voting member shall be *provided* at least five (5), but

not more than sixty (60) days, before the meeting, (excluding the date of the meeting) with notice setting forth the date, time, place, and purpose of the meeting.

8.5 Member Quorum. Sixty (60) percent of the Active Members of the Association shall constitute a quorum for the transaction of business at their meetings.

8.6 Member Voting. Each Active Member present at the meeting shall be entitled to one (1) vote. All votes, unless specified prior to the vote, shall be conducted by a voice vote. If a majority cannot be determined by voice vote, the officer in charge of the vote shall ask for a show of hands or for a secret ballot. Voting by proxy/absentee ballot will be allowed under Section 4.5. A voting "majority" is majority of the quorum, not majority of the entire association membership.

8.7 Regular Meetings of the Board of Trustees. Meetings of the Board of Trustees shall be held one week prior to the regularly scheduled membership meeting in the months of January, April, July, and October. ~~February, April, October, and December~~. Meetings of the Board of Trustees shall be held at the Fire Station #1 unless noticed for another place within the City as designated by the Board.

8.8 Special Meetings of the Board of Trustees. Special meetings of the Board of Trustees may be called at any time upon the written order of the President and one (1) other member of the Board of Trustees. The meeting shall be held at the Fire Station #1 unless noticed for another place within the City as designated by the Board.

8.9 Notice of Meetings of the Board of Trustees. The association is governed by Minnesota Statutes, Section 13D.01 which requires that all meetings of the Association's Board of Trustees be open to the public with rare exceptions. All notices provided for in this Article shall comply with Minnesota Statutes, Section 13D.04 which requires at a minimum that:

(a) a schedule of any regular meetings of the Board of Trustees be kept on file at the Association offices, and

(b) for special meetings, a notice stating the date, time, place and purpose of the meeting be *posted* on the bulletin board of the Association, or if no bulletin board, on the door of its usual meeting room; *and* in accord with Minnesota Statutes, Section 317A.231, each Trustee shall be *provided* at least three (3), but not more than sixty (60) days, before the meeting, (excluding the date of the meeting) with notice setting forth the date, time, place, and purpose of the meeting.

8.10 Board Quorum. A majority of the Board of Trustees then in office shall constitute a quorum for the transaction of business at its meetings.

8.11 Board Voting. Unless the Articles or Bylaws specify otherwise, an action of the Board shall be affected by a majority vote of the Trustees present and eligible to vote once a quorum has been achieved. The officer in charge of a vote shall ask for a show of hands *but shall not allow* for a secret ballot *nor proxy*, and each vote shall be recorded in a public journal. No action shall be considered once a quorum has been lost.

8.12 Electronic Meeting Prohibited. Any meeting of the Board of Trustees or the membership by solely electronic means (e.g., e-mail, simulchat or phone conference) that is not accessible to the public at a set meeting location is prohibited.

8.13 Order of Business. At any annual, regular and all special meetings, the order of business shall be as follows:

(a) Call to order by the President
(b) Roll call (verify quorum)
(c) Secretary's Report (reading of previous minutes)
(d) Treasurer's Report
(e) Report of the Board (member meeting)
(f) Report of other committees (Board or member meeting)
(g) Election of Trustees and Officers, if applicable (annual member meeting)
(h) Old Business
(i) New Business
(j) Adjournment

ARTICLE IX
FIDUCIARY RESPONSIBILITY

9.1 Board of Trustees. Each member of the Board of Directors, also acts as a trustee of the Special Fund. The Board of Directors therefore also acts as the Board of Trustees. The Board of Trustees is charged with administering retirement and ancillary benefits under the Special Fund, and the Trustees are fiduciaries subject to the standard of care set forth in Minnesota Statutes, Section 11A. 09 and Section 356A.04. This includes specifically assuming such additional duties as may be described in Association policies and procedures or required by state law, including:

(a) adopting an investment policy;
(b) providing written investment restrictions to brokers;
(c) securing certificates of insurance; and
(d) establishing a continuing education plan to keep abreast of their fiduciary responsibilities.

9.2 Prohibited Transactions. No fiduciary of the Association shall cause the Association to engage in a transaction if the fiduciary knows or should know that a transaction constitutes one (1) of the following direct or indirect transactions:

(a) sale or exchange or leasing of any real estate between the Association and a Board member;

(b) lending of money or other extension of credit between the Association and a Board member or member of the Association;

(c) furnishing of goods, services, or facilities between the Association and a Board member;

(d) transfer to a Board member, or use by or for the benefit of a Board member, of any assets of the Association. Transfer of assets does not mean the payment of Association benefits or administrative expenses permitted by law; or

(e) sale, exchange, loan, or lease of any item of value between the Association and a fiduciary of the Association other than for a fair market value and because of an arm's-length transaction.

9.3 Fiduciary Responsibilities Apart from the Special Fund. Although the title "Trustee" is applied to members of the Board of Directors of the Association, the fiduciary standard that Directors are subject to is two-tiered as a matter of State law. With respect to the Association's Special Fund, Trustees are required to meet a standard of care that applies to fiduciaries under Minnesota Statutes, Section 11A. 09 and Section 356A.04, as described above. With respect to business and management decisions not including decisions related to the Special Fund, all Trustees are required to meet a standard of care that applies to nonprofit corporation Directors under Minnesota Statutes, Section 317A.251. These decisions include, but are not limited to, business decisions regarding fund-raising activities, and disposition of and management of the General Fund. Accordingly, in their decision-making and management, Trustees must discharge the duties of their position in good faith, in a manner the Director reasonably believes to be in the best interests of the Association, and with the care an ordinarily prudent person in a like position would exercise under similar circumstances. Directors are not, in accord with that same statutory section, considered "Trustees" with respect to the Association or with respect to property held or administered by the Association.

9.4 Conflict of Interest Procedures. When a member(s) of the Board of Directors has a conflict:

(a) Each member of the Board of Directors, whether acting as a Director or as an Officer of the Association, has a duty to disclose to the Board (or to any committee of the Board) the material facts of any proposed transaction or action of the Association in which they or a Relative have a Material Financial Interest.

(b) The disclosure required under (a) (above) ***must be made, to the extent possible, prior to any consideration of such proposed transaction or action*** by the Board of Directors or by any applicable committee of the Board of Directors. If a Board member does not recognize the existence of a conflict prior to the Board of Director's decision regarding the transaction, that person has a duty to disclose the material facts of the conflict as soon as the conflict is recognized.

(c) The Board member having a conflict shall not participate in the deliberation or decision regarding the matter under consideration and shall leave the room during deliberations except when he has been invited by the Board or committee to

participate, after consideration of the significance to the Association of the disclosed conflict. The Board of Directors or committee may also request that he provide the Association with any relevant information known to the Board member regarding the matter.

(d) Any proposed transaction or action in which the Board of Directors has determined that a Director has a conflict of interest that is not "de minims" is to be approved by a ***majority of all the Board of Directors then-serving who would be entitled to vote*** and who are not interested Board members at a meeting at which a quorum is present (i.e., by a Supermajority of the entire Board of Directors not including a Board member(s) who has a conflict of interest), even though the non-conflicted directors may constitute less than a quorum). Deliberations by the Board of Directors regarding the conflict shall be documented in Board minutes no later than 60 days following the subject meeting. The votes of each Board member in support or in opposition to the transaction or action shall be noted.

(e) All Board members are obligated to notify the Board of Directors if they believe another Board member has failed to disclose a conflict, and this procedure shall be followed by the Board of Directors in all such instances.

ARTICLE X
FUNDS

10.1 Funds. All money received by the Association shall be kept in two (2) separate funds, the General Fund and the Special Fund. Disbursements from the funds shall be in accordance with Minnesota Statutes and Rules and the Bylaws of the Association.

10.2 General Fund. The funds received by this Association from: dues, donations, fines, initiation fees, entertainment revenues and any moneys donated for unspecified uses shall be kept in the General Fund and may be disbursed upon a majority vote of the membership or of the Board of Trustees for any purpose reasonably suited to promote the welfare of the Association and its members. All expenses shall be paid out of the General Fund, except as specifically authorized to be disbursed from the Special Fund. These records shall be open for inspection by any member of the relief association at reasonable times and places.

10.3 Special Fund. All funds received by this Association from any tax sources, membership dues, except for dues payable as contributions to the General Fund, and other money that may be directly donated or transferred to said funds, shall be kept in a separate account on the books of the Treasurer known as the Special Fund and shall be disbursed only for the following purposes:

(a) Payment of members' service pension benefits in accordance with these Bylaws,

(b) Payment of ancillary benefits in accordance with these Bylaws,

(c) Payment of fees, dues and assessments to the Minnesota State Fire Department Association and to the Minnesota Area Relief Association Coalition,

(d) Payment of insurance premiums to the Volunteer Firefighters Benefit Association, or an insurance company licensed by the State of Minnesota offering casualty insurance, and

(e) All administrative expenses authorized under Minnesota Statutes, Section 69.80.

These records shall be public and open for inspection by any member of the relief association, any officer or employee of the state or municipality, or any member of the public, at reasonable times and places.

10.4 Deposits. All money belonging to this Association shall be deposited to the credit of the Association in such banks, trust companies, or other depositories as the Board of Trustees may designate. Board of Trustees shall make deposits in conformance with Minnesota Statutes, the Bylaws and the investment policy.

ARTICLE XI
APPENDICES INCORPORATED IN BYLAWS

The following appendices attached hereto are expressly incorporated herein as a component of these Bylaws, with the same legal force and effect of Bylaws.

Appendix A: Bylaw Amendment History

Appendix B: Shakopee Fire Department Relief Association Defined Benefit Lump Sum Retirement Plan

Appendix C: Benefit Levels

Appendix D: Officer Compensation Levels

Appendix E: Intentionally Left Blank

Appendix F: Special Laws

ARTICLE XII
AMENDMENTS

12.1 Amendment of Articles of Incorporation by Members. Amendments to the Articles of Incorporation must be approved by a majority of the Board of Trustees and by a majority of the Active Members. The exception is changing the relief association's physical address; in that case, the Board of Trustees may amend the Articles of Incorporation without member approval. If an amendment is initiated by the Directors, proper notice of the proposed amendment must precede a meeting of the members at which the amendment will be considered and must include the substance of the proposed amendment. If an amendment is proposed, the

members may demand a meeting of the Board of Trustees within 60 days for consideration of the proposed amendment if a regular meeting of the Board would not occur within 60 days.

12.2 Amendment of Articles of Incorporation by Board when Authorized by Members. When authorized by Active Members, the Articles of Incorporation may be amended by the Board of Trustees by the affirmative vote of a majority of the Trustees then in office, at a meeting for which notice of the meeting and the proposed amendment have been given. The members may prospectively revoke the authority of the Board to exercise the power of the members to amend the Articles, except for amending the relief association's physical address, which the Board can amend without member approval. Nothing in this Section shall be construed to permit the Board to adopt, amend, or repeal provisions in the Articles that would alter the rights of the membership.

12.3 Amendment of Bylaws by Board. The Bylaws of the Association may be amended by the Board at any regular or special meeting of the Board by a vote of the majority present and voting, provided that a quorum is present; and provided further that a notice of date, time, place, purpose of the meeting and proposed amendment be *posted* on the bulletin board of the Association, or if no bulletin board, on the door of its usual meeting room, *and* in accord with Minnesota Statutes, Section 317A.231, each Trustee has been *provided* at least three (3), but not more than sixty (60) days, before the meeting, (excluding the date of the meeting) with notice setting forth the date, time, place, purpose of the meeting and proposed amendment.

Board Limitations of Bylaw Amendments. Nothing in this section shall be construed to permit the Board to adopt, amend or repeal provisions regarding:

(a) Amending in any way the definition of "Active Service" set forth in the Plan attached hereto

(b) Decreasing any benefit level set forth in the Plan attached hereto

(c) Changing the deferred interest percentage set forth in the Plan attached hereto

(d) Changing the vesting schedule set forth in the Plan attached hereto

(e) Membership (Article IV)

(f) Compensation (Section 6.8)

(g) Elections (Article VII)

(h) Member Quorum (Section 8.5)

(i) Revise the number of Members required to amend the Bylaws (Section 12.4)

(j) or limit the right of at least ten percent of the membership to propose a resolution for action by the members to adopt, amend, or repeal Bylaws that the Board has acted to

adopt, amend or repeal pursuant to this section.

12.4 Amendment of Bylaws by Members. The Bylaws of the Association may be amended at any regular or special meeting by a vote of two-thirds of the Active Members present and voting, provided that a quorum is present; and provided further that notice of any proposed amendment(s) shall be given by posting or reading the same at any regular or special meeting not more than thirty-one (31) days preceding that upon which such amendment(s) are to be acted upon (excluding the date of the meeting).

12.5 Ratification of Amendments by Municipality. If the Association amends its bylaws to affect the amount of, the manner of payment of, or the conditions for qualification for service pensions or ancillary benefits or disbursements other than administrative expenses, it may be necessary to obtain ratification of the amendment by the Municipality as described in Section 8.1 of Appendix B.

APPENDIX A

SHAKOPEE FIRE DEPARTMENT RELIEF ASSOCIATION

Bylaw Amendment History

For a complete summary of the amendments and, if applicable, the Board's rationale and purpose for the change, refer to the Board of Trustee meeting minutes listed with the effective date of the applicable amendment listed hereunder.

Effective Dates	Meeting Minutes	Summary of Change
May 7, 2019	April 22, 2019 (Board of Trustees) April 22, 2019 (Membership)	Bylaw changes: 8.2 Meetings changed to quarterly held on the fourth Monday. 8.7 Board meetings schedule changed to quarterly. App. C added 2019 benefit level increase. App. D added salary for Vice President position, and Trustee. Changed version from V2018-1 to V2019-1.
May 1, 2018	April 16, 2018 (Board of Trustees) April 16, 2018 (Membership) February 26, 2018 (Board of Trustees) February 26, 2018 (Membership)	Bylaw changes: spelled out Mayor and Finance Director as Board of Trustees 5.1, meetings changed to every other month 8.2, Board meetings schedule change 8.7. appendix b.2.1.g 30 day tracking, changed up to 5% to of 5% appendix b.4.3, added including deferred interest appendix b.4.5.b, added 2018 benefit level increase app. C, changed version from V2017-2 to V2018-1.
July 18, 2017	April 20, 2015 (Membership) May 18, 2015 (Membership) May 15, 2017 (Membership) May 15, 2017 (Board of Trustees) June 19, 2017 (Membership)	Bylaw changes: added 501(c)(3) exempt status, added 4.3 VFBA dues, amended 5.1 to read active members with at least one year of service, amended 7.1 to name Trustees 1 & 2, 7.4 removed "from among the elected Trustees" for voting on Officers, 8.1 deleted "or May", 8.2 changed missed meetings to following third Monday of the month. Amended appendix C&D for benefit and salary changes.
November 12, 2014 (Document)	November 12, 2014 (Board of Trustees) September 15, 2014 (Membership)	Restatement of Bylaws and Appendices in their entirety, moving from version 2014-1 to version 2014-2. Only change is increase in Treasurer's Salary.
August 1, 2014 (Document) August 1, 2014 (Benefit level; see Appendix C)	July 21, 2014 (Board of Trustees) NR (Membership)	Restatement of Bylaws and Appendices in their entirety, moving from version 6 of the MNFPC Bylaw Solution™ to version 2014 (v7).
March 26, 2012 (Document) August 31, 2005 (Benefit level; see Appendix C)	March 26, 2012 (Board of Trustees) NR (Membership) See Appendix C for Municipality minutes	Restatement of Bylaws and Appendices in their entirety, moving from version 5 of the MNFPC Bylaw Solution™ to version 6.
November 1, 2010	February 21, 2008 and	Restatement of Bylaws and Appendices in their

(Document) August 31 , 2005 (Benefit level; see Appendix C)	August 24, 2009 (Board of Trustees) September 21, 2009 (Membership) See Appendix C for Municipality minutes	entirety as part of subscribing to the MNFPC Bylaw Solution™ version 5 that provides model documents, administrative forms, and trustee support.

NA means not available.
NR means not required.
TBD means to be determined

APPENDIX B

SHAKOPEE FIRE DEPARTMENT RELIEF ASSOCIATION

DEFINED BENEFIT LUMP SUM RETIREMENT PLAN

These model documents are drafted to conform to Minnesota state laws relating to relief association pension plans for volunteer firefighters. The model documents are not drafted to meet the requirements of tax-qualified retirement plans under the Internal Revenue Code, and it is doubtful that the model documents can meet those requirements. **Minnesota Firefighter Pension Consultants, LLC (MNFPC, LLC) makes no representation regarding the status of the plans under federal or state tax laws. MNFPC, LLC recommends that Relief Associations consult their own tax advisors regarding the treatment of the plan and distributions from the plan under state and federal tax laws.**

MNFPC, LLC is not a law firm. We recommend review by your legal counsel of model documents before adoption.

TABLE OF CONTENTS

Page

ARTICLE I NAMES, PURPOSE AND OTHER GENERAL INFORMATION 1
1.1 Name of Municipality 1
1.2 Name of Fire Department 1
1.3 Name of Relief Association 1
1.4 Federal Taxpayer Identification Number 1
1.5 Name of Plan 1
1.6 Original Effective Date of Plan 1
1.7 Purpose 1

ARTICLE II DEFINITIONS AND INTERPRETATION 1
2.1 General Definitions 1
2.2 Interpretation 4

ARTICLE III VESTING 4
3.1 Full Vesting of Accrued Benefit 4
3.2 Partial Vesting of Accrued Benefit 4
3.3 Determining Years of Active Service for Vesting 5

ARTICLE IV BENEFITS 5
4.1 Retirement Benefit 5
4.2 Return To Service 6
4.3 Deferred Interest 7
4.4 Disability Benefit 7
4.5 Survivor Benefit 8
4.6 Funeral Benefit 9
4.7 Supplemental Benefit 9
4.8 Supplemental Survivor Benefit 9
4.9 Benefit Payment Requests 9
4.10 Forms of Payment 10
4.11 Maximum Limitation on Benefits 10
4.12 Required Distributions 10
4.13 Unclaimed Benefits 10

ARTICLE V APPEALS PROCEDURE 11
5.1 Right of Appeal 11
5.2 Denial of Benefits 11
5.3 Review Procedure 11

ARTICLE VI CLAIMS AGAINST BENEFICIAL INTEREST 11
6.1 Nonassignability 11
6.2 Charge for Litigation 12
6.3 Domestic Relations Orders 12

ARTICLE VII UNIFORMED SERVICE (MILITARY SERVICE) 13
ARTICLE VIII RIGHT TO AMEND, DISCONTINUE OR TERMINATE 14
8.1 Amendment 14
8.2 Consolidation and Plan Benefits 14
8.3 Termination of Plan 15
ARTICLE IX MISCELLANEOUS 15
9.1 Governing Law 15
9.2 Binding Effect 15
9.3 Effective Date Application 15
9.4 Authority of Board of Trustees 15

SHAKOPEE FIRE DEPARTMENT RELIEF ASSOCIATION

DEFINED BENEFIT LUMP SUM RETIREMENT PLAN

The Board of Trustees of the Relief Association amends and restates its existing defined benefit pension plan in its entirety for the benefit of its eligible members.

ARTICLE I
NAMES, PURPOSE AND OTHER GENERAL INFORMATION

1.1 Name of Municipality: City of Shakopee

1.2 Name of Fire Department: Shakopee Fire Department

1.3 Name of Relief Association: Shakopee Fire Department Relief Association

Address: 2700 Vierling Drive East, Shakopee, MN 55379

1.4 Federal Taxpayer Identification Number: 41-6031677

1.5 Name of Plan: Shakopee Fire Department Relief Association Defined Benefit Lump Sum Retirement Plan

1.6 Original Effective Date of Plan: August 10, 1895

1.7 Purpose. The purpose of the Plan is to provide benefits to eligible members of the Relief Association (Participants) and their lawful Beneficiaries.

ARTICLE II
DEFINITIONS AND INTERPRETATION

2.1 General Definitions. The following words and phrases when used herein shall have the following meanings except as otherwise required by the context in which they are used:

(a) **"Accrued Benefit"** of a Participant shall mean the benefit determined under the terms of the Plan, as of a specified date.

(b) **"Active Service"** shall mean active service as defined by the Shakopee Fire Department Relief Association, as stated in Appendix B Section 2.1 bb, except that Participants shall not receive credit for Active Service for hours during which the Participant is:

(i) a full- or part-time employee of the Fire Department who accrues pension service credit under the Public Employees Retirement Association of Minnesota Police and Fire Fund for the same firefighting service.

(c) **"Alternate Payee"** shall mean a spouse or former spouse of a Participant who is recognized by a Domestic Relations Order as having a right to receive all, or a portion of, a Participant's Beneficial Interest under the Plan, pursuant to Minnesota Statutes, Section 518.58, Sub. 4.

(d) **"Beneficial Interest"** shall mean the amount of a Participant's Accrued Benefit that is distributable to the Participant or the Participant's Beneficiary in accordance with the terms of the Plan.

(e) **"Beneficiary"** shall mean any person entitled to receive benefits that may be payable upon or after a Participant's death.

(f) **"Board of Trustees"** or **"Board"** shall mean the Board of Trustees of the Relief Association.

(g) **"Break in Service"** shall mean a period as defined by the Fire Department in its policies and procedures, during which the Participant does not meet Active Service requirements. These periods shall be tracked in increments of 30 consecutive days within a calendar year. However, service restored pursuant to the uniformed services provisions of Article VII shall be considered Active Service and shall not be considered a Break in Service.

(h) **"Bylaws"** shall mean the duly adopted bylaws of the Relief Association.

(i) **"Code"** shall mean the Internal Revenue Code of 1986, and amendments thereto.

(j) **"Disability"** or **"Disabled"** shall mean the inability of a Participant to engage in the performance of his or her duties by reason of a medically determinable physical or psychological impairment that can be expected to last for a continuous period of not less than twelve months or can be expected to result in death. Disability may have been incurred in the line-of duty or outside the line-of duty. A Participant's Disability shall be determined by the Board in its sole discretion.

(k) **"Disability Benefit"** shall mean the benefit, if any, paid to a Participant in lieu of a Retirement Benefit, pursuant to Section 4.4.

(l) **"Domestic Relations Order"** shall mean any judgment, decree or order (including approval of a property settlement agreement) that complies with the provisions of Minnesota Statutes Sections 518.58 or 518.581.

(m) **"Effective Date"** of the Plan shall be the effective date referenced on the first page of the Bylaws.

(n) **"Entry Date"** shall mean the date of hire as defined in the Fire Department policies and procedures.

(o) **"Participant"** shall mean a member of the Relief Association who has accrued or is accruing benefits under the Plan.

(p) **"Plan Year"** shall mean the calendar year.

(q) **"Qualification Procedures"** shall mean written procedures adopted by the Board of Trustees to:

(i) determine whether a Domestic Relations Order may be honored under the law and the terms of the Plan; and

(ii) to administer distributions under such orders.

The procedures shall be implemented within a reasonable time after receipt of a domestic relations order by the Board of Trustees. Qualification Procedures must permit an Alternate Payee to designate a representative for receipt of copies of notices sent to the Alternate Payee with respect to a Qualified Domestic Relations Order.

(r) **"Qualified Recipient"** shall mean an individual who receives a lump sum distribution of pension or retirement benefits, including disability benefits, from the Relief Association for service performed as a Volunteer Firefighter, as it relates to Section 4.7 herein.

(s) **"Resumption of Active Service Requirement"** shall mean the period of time equal to the period of time that elapsed between the Participant's Separation Date and return to Active Service pursuant to Section 4.2.

(t) **"Retirement Benefit"** shall mean the benefit payable to a Participant pursuant to Section 4.1, but only after the Participant has met all eligibility requirements of Section 4.1.

(u) **"Separation Date"** shall mean the date of retirement or termination as defined in the Fire Department policies and procedures.

(v) **"Special Fund"** shall mean the fund established pursuant to Minnesota Statutes, Section 424A.05 used to fund benefits under the Plan and for other purposes permitted by statute. The assets of the Special Fund shall be invested only in securities authorized by Minnesota Statutes, Section 69.775.

(w) **"Supplemental Benefit"** shall mean the benefit paid to a Qualified Recipient pursuant to Minnesota Statutes, Section 424A.10, Sub. 2(a), as described in Section 4.7.

(x) **"Supplemental Survivor Benefit"** shall mean the benefit, if any, paid to a Surviving Spouse or minor Surviving Children pursuant to Minnesota Statutes, Section 424A.10, Sub. 2(b), as described in Section 4.8.

(y) **"Surviving Children"** shall mean any natural or adopted child of a deceased Participant.

(z) **"Surviving Spouse"** shall mean the spouse of a deceased Participant who was legally married to the Participant at the time of death.

(aa) **"Survivor Benefit"** shall mean the benefit paid to a Participant's Beneficiary pursuant to Section 4.5.

(bb) **"Volunteer Firefighter"** shall mean any person who:

(i) is engaged in providing emergency response services or delivering fire education or prevention services as a firefighter for the Fire Department or Municipality;

(ii) is trained in or is qualified to provide fire suppression duties or to provide fire prevention duties under Minnesota Statutes, Section 424A.001, Sub. 8; and

(iii) meets any other minimum firefighter and service standards established by the Shakopee Fire Department Relief Association. Attend a minimum of 35% of Fire calls and meet the Training Requirements of the municipal fire department per calendar year.

(cc) **"Year of Active Service"** shall mean each 12-month period of Active Service commencing with a Participant's Entry Date or anniversary thereof reduced by the Participant's Break(s) in Service. This definition shall be used for the purposes of calculating the minimum funding requirements and computing benefits or service pensions payable. Service pensions will not be prorated monthly for fractional Years of Active Service pursuant to Minnesota Statutes, Section 424A.02, Sub. 1.

2.2 Interpretation. The words defined in this Article 2 shall have the meanings assigned to them except where specified otherwise in this instrument. Whenever appropriate, words used herein in the singular shall include the plural, the plural may be read as the singular, and the masculine shall include the feminine.

ARTICLE III
VESTING

3.1 Full Vesting of Accrued Benefit. A Participant shall have a fully vested and non-forfeitable interest in the Participant's Accrued Benefit upon completion of 20 Years of Active Service.

3.2 Partial Vesting of Accrued Benefit. The following vesting schedule shall apply to a Participant with fewer than 20 Years of Active Service:

Years of Active Service	Vested Percentage
5 but less than 6	40%
6 but less than 7	44%

7 but less than 8	48%
8 but less than 9	52%
9 but less than 10	56%
10 but less than 11	60%
11 but less than 12	64%
12 but less than 13	68%
13 but less than 14	72%
14 but less than 15	76%
15 but less than 16	80%
16 but less than 17	84%
17 but less than 18	88%
18 but less than 19	92%
19 but less than 20	96%
20 or more	100%

3.3 Determining Years of Active Service for Vesting. All Years of Active Service shall be taken into account for purposes of determining a Participant's vested Accrued Benefit, including Years of Active Service with the Fire Department prior to the Effective Date.

ARTICLE IV
BENEFITS

4.1 Retirement Benefit. (a) *Eligibility*. To be eligible to receive a Retirement Benefit a Participant must satisfy each of the following requirements:

(i) Have retired or ceased Active Service with the Fire Department as a Volunteer Firefighter.

(ii) Be at least 50 years of age;

(iii) Have been a Volunteer Firefighter in the Fire Department;

(iv) Have been a member in the Relief Association; and

(v) Have the minimum Years of Active Service required for a non-forfeitable interest (vested) in the Participant's Accrued Benefit.

(b) *Amount*. If so provided in Section 3.2, a Participant's Retirement Benefit shall be determined as follows:

Years of Active Service credited to Participant	multiplied by	Benefit level in effect for Participant	multiplied by	Vesting percentage for completed Years of Active Service

The benefit level is set forth in Appendix C. The Participant's benefit level will be the benefit level in effect at the Participant's Separation Date. However, if the Participant had a Break in Service, the Participant's benefit level shall be determined as described in Section 4.2.

Subject to the provisions of Section 8.1 of this Appendix B, benefit levels are subject to increase and shall be effective as of the agreed upon effective date, provided that such increase shall not apply to any Participant who ceased Active Service before the effective date of the increase.

Such Retirement Benefit shall not be paid before the later of the Participant's Separation Date or the date the Participant attains age 50. The Retirement Benefit shall be paid at the time requested by the Participant in a properly completed and accepted Retirement Benefit Payment Request Form.

4.2 Return To Service. (a) *Return to Service Before Payment of Retirement, Disability or Survivor Benefit*. If a Participant:

(i) Ceases Active Service with the Fire Department (incurs a Separation Date),

(ii) Has not received a Retirement Benefit distribution from the Plan of the Participant's vested Accrued Benefit, and

(iii) Subsequently returns to Active Service after at least 60 days have elapsed, the Participant shall qualify for increases in the benefit level implemented during or after the Separation Date from Active Service and additional Years of Active Service only if the Participant remains in Active Service for the Resumption of Active Service Requirement. If the Participant has not met this requirement by the time of the Participant's later Separation Date, the Participant's benefit shall be the benefit level in effect at the time of the Participant's prior Separation Date and Years of Active Service in effect at the time of the Participant's prior Separation Date plus Years of Active Service after the Participant's resumption of Active Service.

A Participant whose period of Break in Service does not exceed 365 consecutive days is exempt from the minimum period of Resumption of Active Service Requirement.

(b) *Return to Service After Payment of Retirement Benefit*. If a Participant:

(i) Ceases Active Service with the Fire Department (incurs a Separation Date)

(ii) Receives a Retirement Benefit distribution from the Plan of the Participant's vested Accrued Benefit,

(iii) Subsequently returns to Active Service after at least 60 days have elapsed, the Participant shall be credited with additional Years of Active Service. A Participant's Retirement, Disability or Survivor Benefit at the Participant's later Separation Date shall be determined as follows:

Years of *Additional* Active Service credited to Participant after the return to service	multiplied by	Benefit level in effect for Participant as of the subsequent Separation Date	multiplied by	Vesting percentage for completed *Additional* Years of Active Service

No Participant may be paid a service pension twice for the same period of Active Service.

4.3 Deferred Interest.
The Board of Trustees shall adjust a Participant's unpaid Retirement Benefit amount at an interest rate of five percent, compounded annually from the first day of the month following the date on which the Participant separated from Relief Association membership, whichever is later, to the last day of the month immediately before the Participant becomes eligible to begin receipt of, and applies for, the Retirement Benefit. The interest rate is set forth in Appendix C.

4.4 Disability Benefit. A Participant who becomes Disabled while in Active Service may be eligible for a Disability Benefit in lieu of a Retirement Benefit. A Participant who becomes Disabled while on leave for uniformed services under Article VII shall be deemed to have become Disabled while in Active Service. A Participant's Disability Benefit shall be determined as follows:

Years of Active Service credited to Participant	multiplied by	Benefit level in effect when Participant becomes Disabled

The benefit level is set forth in Appendix C. Subject to the provisions of Section 8.1 of this Appendix B, such dollar amount is subject to increase and shall be effective as of the agreed upon effective date, provided that such increase shall not apply to any Participant who ceased Active Service before the effective date of the increase.

Any Disability Benefit paid in accordance with this Section 4.4 shall be in lieu of all rights to further service pension and survivors benefits.

The Participant shall be eligible to receive the Disability Benefit upon approval of the Board of Trustees. A written report of a physician of the Participant's choice shall be required for payment of a Disability Benefit. The report shall set forth the diagnosis and prognosis of the Disability, disease or injury of the Participant and its probable duration of permanence. A Participant's statement as to pain or other symptoms will not alone be conclusive evidence of Disability.

A Disability Benefit Payment Request form shall be submitted to the Board of Trustees within six months after such Participant's Separation Date with the Fire Department. The form shall describe the nature and cause of such Disability. The form shall be under oath by the Participant or his/her immediate family. The determination of Disability shall be tabled until the next Board meeting so that a physician of the Participant's choice may examine the Participant. The Board of Trustees has the discretion to request that another doctor, selected by the Board of Trustees,

examine the Participant. Final determination of Disability will be based on the reports of at least one doctor, and shall be determined by the Board of Trustees at the subsequent Board meeting.

If the Participant who applied for a Disability Benefit disagrees with the Board's determination, the Participant may, within sixty (60) days from notice of such action of the Board of Trustees, file a written appeal of the Board of Trustees' determination. The appeal will be decided under the appeal procedures described in Article V.

4.5 Survivor Benefit. (a) *Eligibility*. For a Participant's Beneficiary to be eligible to receive a Survivor Benefit, the Participant must have satisfied the following requirements:

(i) Have died in Active Service with the Fire Department; or

(ii) Have died prior to receiving his Retirement Benefit.

A Participant who dies while on leave for uniformed service under Article VII shall be deemed to have died while in Active Service.

(b) *Amount*. If a Participant in Active Service dies, the Participant's Beneficiary shall receive a lump sum payment equal to 100% of the Participant's Accrued Benefit.

If a Participant who has retired from or ceased Active Service dies, the Participant's Beneficiary shall receive a lump-sum Survivor Benefit determined as follows:

Years of Active Service credited to Participant	multiplied by	Benefit level in effect for Participant	multiplied by	Vesting percentage for completed Years of Active Service	Including earned deferred interest, if applicable

The Survivor Benefit level will be the benefit level in effect at the Participant's Separation Date. However, if the Participant had a Break in Service, the Survivor Benefit level shall be determined as described in Section 4.2.

Such Survivor Benefit shall be paid to the Participant's Beneficiary as soon as administratively feasible following the Participant's death and the approval of the Survivor Benefit Payment Request form.

A Participant's Beneficiary shall be as follows:

(i) the Participant's Surviving Spouse; or

(ii) if no Surviving Spouse, the Participant's Surviving Children or if so designated as a Beneficiary by the Participant, a trust for the benefit of the Participant's Surviving Children created under Chapter 501B; or

(iii) if no Surviving Spouse or Surviving Children, the Participant's designated Beneficiary or Beneficiaries. To designate a Beneficiary, the Participant

shall complete, sign and file with the Relief Association a designation of Beneficiary on a form to be provided by the Relief Association or by other written form acceptable to the Relief Association. On said form, the Participant shall designate a Beneficiary, which must be a natural person, or a designated trust created under Chapter 501B of the Minnesota Statutes that shall be paid any sum that may be payable on account of the Participant's death (reserving, however, to the Participant the power to change the designation of Beneficiary using the Change of Beneficiary Designation form); or

(iv) if no designated Beneficiary or Beneficiaries, to the estate of the Participant.

If there is a Surviving Spouse, but no Surviving Children, the Surviving Spouse may waive in writing all or a part of the Survivor Benefit otherwise payable to the Surviving Spouse, in which event, the Survivor Benefit waived shall be paid as if the spouse had predeceased the Participant.

4.6 Funeral Benefit. No Funeral Benefit shall be paid under this Plan.

4.7 Supplemental Benefit. Upon payment of a lump sum distribution, the Relief Association must pay a Supplemental Benefit to the Qualified Recipient. The Supplemental Benefit may be paid from the Special Fund. The amount of the Supplemental Benefit equals ten percent of the lump sum distribution, excluding any interest paid during a period of deferral, but in no case, may the Supplemental Benefit exceed $1,000.

4.8 Supplemental Survivor Benefit. Upon payment of a Survivor Benefit, the Relief Association must pay a Supplemental Survivor Benefit to the Surviving Spouse, or, if none, the Surviving Child(ren) of a Participant who had at least one (1) month of Active Service. The Supplemental Survivor Benefit shall be paid in lieu of the Supplemental Benefit and shall be paid from the Special Fund. The amount of the Supplemental Survivor Benefit equals twenty (20) percent of the lump sum distribution, but in no case, may the Supplemental Survivor Benefit exceed $2,000.

4.9 Benefit Payment Requests. Requests for benefit payment shall be in writing and filed with the Relief Association not less than 90 days prior to the next Board meeting, unless permitted earlier by the Board. Such request shall be made on the appropriate form described below:

Requested Benefit	**Required Benefit Form**
Retirement	Retirement Benefit Payment Request
Survivor	Survivor Benefit Payment Request

Disability	Disability Benefit Payment Request (if applicable)

Requests for Plan benefits shall be considered valid when approved by the Board. Upon approval of the request, the Board shall pay the Participant within 90 days and provide notices to the Participant as required by state or federal law with respect to pension or benefit payments, including, if required, the Special Tax Notice Regarding Plan Payments.

4.10 Forms of Payment. Plan benefits payable to a Participant or Beneficiary shall be made in single lump sum payment. The Participant shall specify that the payment be made in the manner of:

(a) a check payment payable to the Participant or Beneficiary, subject to federal income tax withholding, as may be required; or

(b) a direct rollover to an individual retirement account described in Section 408(a) of the Code to the extent permitted by law, or

(c) a transfer to the Participant's account in the Minnesota Deferred Compensation Plan, to the extent permitted by law and the Minnesota Deferred Compensation Plan.

No other forms of distributions are allowed under the Plan.

4.11 Maximum Limitation on Benefits. Notwithstanding any provision of the Plan to the contrary, a Participant's benefit under the Plan shall not exceed the maximum amount permitted under Section 415 of the Code. Service pensions shall be further limited to the maximum amounts payable pursuant to Minnesota Statutes, Section 424A.02, Sub. 3.

4.12 Required Distributions. Notwithstanding any provision of the Plan to the contrary, a Participant's benefit shall be paid to the Participant by April 1 of the calendar year following the later of the calendar year in which the Participant attains age 70½ or ceases Active Service. Such distributions shall be determined and made in accordance with Section 401(a)(9) of the Code and regulations promulgated there under, including the minimum distribution incidental benefit requirement of Treasury Reg. Section 1.401(a)(9)-2, the provisions of which are incorporated herein by reference.

4.13 Unclaimed Benefits. If the Relief Association is unable with reasonable effort to locate a Participant or person/estate entitled to a Survivor Benefit under the Plan or applicable law, the benefit distributable to such Participant or person/estate shall be forfeited and will be credited to the Special Fund. Efforts to locate a Participant or person/estate must be documented. Forfeiture shall occur no earlier than thirty-six (36) months after the Board concludes the Relief Association was unable to locate such Participant or person/estate despite reasonable efforts to do so.

ARTICLE V
APPEALS PROCEDURE

5.1 Right of Appeal. In the event the Board of Trustees denies a written request for a Retirement, Disability or Survivor Benefit, the Participant or Beneficiary whose request was denied (a "claimant") shall be entitled to appeal the determination.

5.2 Denial of Benefits. If a written request is not approved, the Board shall return the form to the claimant within 30 days, noting which requirements the claimant does not meet. Thereafter, the claimant shall be furnished with the opportunity to be heard by the Board, on the question of whether the claimant meets all the eligibility requirements. A claimant who intends to appeal must furnish the Board with a written notice of appeal within 30 days of receiving an adverse determination.

5.3 Review Procedure. Upon receipt of the written notice of appeal, the Board of Trustees shall hold a special meeting within 60 days. Timely notice of the meeting shall be given to the claimant at least 15 days prior to the special meeting. The claimant shall have the reasonable opportunity to be heard by the Board of Trustees at the special meeting with regard to the negative determination. The Board shall decide the appeal and shall give the claimant written notice of its decision.

The exhaustion of these claims procedures is mandatory for resolving every claim and dispute arising under these Bylaws. Any legal action to recover benefits or to enforce or clarify rights under the Bylaws must be commenced in the proper forum within 120 days after the claimant has exhausted the claims procedures. For all purposes, knowledge of all facts that the Participant knew or reasonably should have known shall be imputed to every claimant who is or claims to be a beneficiary of the Participant or otherwise claims to derive an entitlement by reference to the Participant. The Board has full discretion to determine benefit claims under the Bylaws. Any interpretation, determination or other action of the Board shall be subject to review only if it is arbitrary or capricious or otherwise an abuse of discretion. Any review of a final decision or action of the Board shall be based only on such evidence presented to or considered by the Board at the time it made the decision that is the subject of review.

ARTICLE VI
CLAIMS AGAINST BENEFICIAL INTEREST

6.1 Nonassignability. No Participant or Beneficiary shall have any transmissible interest in the Plan or in the Participant's separate Beneficial Interest therein, either before or after the vesting thereof, or in any of the assets comprising the same prior to actual payment and distribution thereof, and shall have no power to alienate, dispose of, pledge or encumber the same, while in the possession or control of the Plan, nor shall the Plan recognize any assignment thereof, either in whole or in part, nor shall the interest of any Participant or Beneficiary be subject to attachment, garnishment, execution or other legal process while in the hands of the Plan, except as provided in Minnesota Statutes, Section 518A.53 or as otherwise provided herein.

6.2 Charge for Litigation. In the event that any Participant or any person claiming by or through a Participant should commence any equitable or legal proceedings against the Relief Association, the result of which is adverse to the plaintiff, or in the event that the Relief Association should find it necessary to commence any such proceeding against any Participant or any person claiming by or through a Participant, the result of which is adverse to the defendant, the cost to the Relief Association of defending or bringing the proceeding, as the case may be, shall be charged, to the extent possible and permitted by law, to the Accrued Benefit of the Participant and only the excess of such cost over the amount of the Participant's Accrued Benefit shall be included as an expense of administration.

6.3 Domestic Relations Orders. Notwithstanding any provision to the contrary herein, the Board of Trustees may assign the interest of a Participant in the Plan to an Alternate Payee pursuant to a Domestic Relations Order. In the event the Plan receives a Domestic Relations Order with respect to a Participant's Beneficial Interest in the Plan, the following provisions shall apply:

(t) The Board shall promptly give written notification to the Participant and to the Alternate Payee of receipt of a domestic relations order and of Plan Qualification Procedures. The Board shall then proceed with Qualification Procedures to determine whether the order is a Domestic Relations Order and can be honored. The Board shall then notify the Participant and Alternate Payee (or the Alternate Payee's designated representative) of its determination.

(u) Disputed funds shall be disposed of as follows:

(i) During the period in which the Qualification Procedures are in progress, the Board shall separately account for any amounts that would be payable to an Alternate Payee if the Domestic Relations Order can be honored.

(ii) If it is determined the Domestic Relations Order can be honored within the 18-month period commencing on the date payments are to begin under the order, the Board shall pay the amounts designated in the order, including any interest, to the Alternate Payee.

(iii) If the Board determines that the Domestic Relations Order cannot be honored or if the 18-month period described in (ii) above elapses and the qualification dispute has not been resolved, the Board shall pay the segregated amounts, together with earnings or losses, if required, to the persons who would have received the amounts if the order had not been issued.

(iv) If an order is qualified after expiration of the 18-month period described in (ii) above, payment of benefits to an Alternate Payee shall proceed prospectively and the Plan shall not be liable to an Alternate Payee for benefits attributable to the period prior to qualification.

(v) Payment of benefits pursuant to a Domestic Relations Order shall be made only as permitted under the Plan. Payment to an Alternate Payee may not commence until the Participant submits a valid Retirement Benefit Payment Request form and the Participant's benefit becomes payable.

(w) If a Domestic Relations Order does not address and determine the payment of the Supplemental Benefit payable under Section 4.7 in connection with the payment of a Retirement Benefit, the Supplemental Benefit shall be divided between the Participant and the Alternate Payee in the same proportion as the Retirement Benefit is so divided. In addition, the Board cannot honor a Domestic Relations Order requiring that Supplemental Survivor Benefits be paid to anyone other than the persons listed in Section 4.8 in the order there listed.

(x) To the extent permitted by law and except as otherwise provided under a Domestic Relations Order, the Board may, on a uniform basis, charge the reasonable and necessary expenses associated with the review of a Domestic Relations Order and the implementation of a Domestic Relations Order to the accounts of the Participant and Alternate Payee.

ARTICLE VII
UNIFORMED SERVICE (MILITARY SERVICE)

Subject to restrictions stated in this section, a Participant who is absent from firefighting service due to service in the uniformed services, as defined in the Uniformed Services Employment and Reemployment Rights Act ("USERRA"), will be granted Active Service credit under the Plan for the period of the uniformed service, not to exceed five years, unless a longer period is required under USERRA.

To be eligible for such credit, the Participant must return to firefighting service with coverage by the Relief Association (or by the successor to the Relief Association) upon discharge from service in the uniformed service within the time frame required in USERRA. However, Active Service credit is not authorized if the Participant separates from uniformed service with a dishonorable or bad conduct discharge or under other than honorable conditions.

Active Service credit is not authorized if the Participant fails to provide notice to the Fire Department that the Participant is leaving to provide service in the uniformed service, unless it is not feasible to provide that notice due to the emergency nature of the situation.

If the Participant does not return to Active Service with the Fire Department within the time frame required in USERRA, then except as otherwise provided in the following sentence, it shall be conclusively presumed that the Participant's Active Service terminated as of the date that the leave for uniformed services began. A Participant who dies or becomes Disabled while the Participant is on leave for uniformed services shall be deemed to have returned to Active Service and shall be deemed to have accrued years of Active Service during the period of leave for uniformed services.

ARTICLE VIII
RIGHT TO AMEND, DISCONTINUE OR TERMINATE

8.1 Amendment. Except as herein otherwise limited, the Relief Association shall have the right to amend this Plan, pursuant to Section 12.3 of the Bylaws, at any time to any extent that it may deem advisable. Such amendment will be stated in an instrument in writing executed by the Relief Association. Upon adoption and execution of such instrument, this Plan shall be deemed to have been amended in the manner therein set forth, and Participants shall be bound thereby.

No amendment which would affect the amount of, the manner of payment of, or the conditions for qualification for service pensions or ancillary benefits or disbursements other than administrative expenses authorized pursuant to Minnesota Statutes 69.80 payable from the Special Fund shall be effective until it has been ratified by the governing body or bodies of the Municipality.

If the Municipality is not required to provide financial support to the Special Fund, the Relief Association may adopt an amendment of the Plan that increases or otherwise affects the service pensions or ancillary benefits payable from the Special Fund without municipal ratification so long as the changes do not cause the amount of the resulting increase in the accrued liability of the Special Fund to exceed 90 percent of the amount of the prior surplus over full funding and the changes do not result in the financial requirements of the Special Fund exceeding the expected amount of the future fire state aid to be received by the Relief Association.

The financial requirements are to be determined by the Board of Trustees following the preparation of an estimate of the expected increase in the accrued liability and annual accruing liability of the Relief Association attributable to the change. If the Relief Association adopts or amends the Plan without municipal ratification, and, subsequent to the amendment or adoption, the financial requirements of the Special Fund are such so as to require financial support from the Municipality, the provision that was implemented without municipal ratification shall no longer be effective without municipal ratification, and any service pensions or ancillary benefits payable with respect to the unapproved increase shall no longer be effective as of the January 1 of the year for which the Schedules I and II for the municipal contribution became due, and as of that January 1, service pensions or ancillary benefits shall be paid only in accordance with provisions of the Plan as amended or adopted with municipal ratification.

8.2 Consolidation and Plan Benefits. The Relief Association has not been consolidated with another relief association pursuant to Minnesota Statutes, Section 424B.02.

8.3 Termination of Plan. Upon dissolution of the Relief Association, after the settlement of nonbenefit legal obligations of the Special Fund, the Board shall transfer the remaining assets of the Special Fund, as securities or in cash, as applicable, to the chief financial official of the Municipality. The Board shall also compile a schedule of Participants to whom a service pension is or will be owed, any Beneficiary to whom a benefit is owed, the amount of the service pension or benefit payable based on the Bylaws and state law and the service rendered to the date of the dissolution, and the date on which the pension or benefit would first be payable under the Bylaws and state law.

The Municipality receiving the remaining assets of the Special Fund shall establish a separate account in the municipal treasury to function as a trust fund for Participants and their Beneficiaries eligible for Plan benefits. Upon submission of the proper form, on or after the initial date on which the service pension or benefit is payable, the municipal treasurer shall pay the pension or benefit due, based on the schedule described above and the other records of the dissolved Relief Association. The trust fund must be invested and managed consistent with Minnesota Statutes Section 69.775 and Chapter 356A. Upon payment of the last service pension or benefit due and owing, any remaining assets in the trust fund may be transferred to the general fund of the municipality. If the Special Fund had an unfunded actuarial accrued liability upon dissolution, the Municipality is liable for that unfunded actuarial accrued liability.

ARTICLE IX
MISCELLANEOUS

9.1 Governing Law. This Plan shall be construed, administered, and governed in all respects under the laws of the State of Minnesota, except as preempted by federal law.

If any Minnesota laws are applicable solely to the Relief Association, then an Appendix F will be included to describe such laws.

9.2 Binding Effect. This Plan shall be binding upon and inure to the benefit of the heirs, personal representatives, successors and assigns of all the parties hereto.

9.3 Effective Date Application. If a member's Separation Date is prior to the Effective Date, the member's status and benefit under the Plan, if any, attributable to Active Service, shall be determined and paid in accordance with the provisions of the Plan in effect at the Separation Date.

If a member had a Separation Date prior to the Effective Date, but returns to complete a Year of Active Service that ends after the Effective Date, the member's status and benefits under the Plan for all Active Service shall be determined in accordance with the provisions of the Plan in effect at the subsequent Separation Date.

9.4 Authority of Board of Trustees. The Board of Trustees shall have full power, authority and discretion to do each and every act and thing which it is specifically required or permitted to do under the provisions of the Plan and to determine conclusively for all parties all questions arising in the interpretation or administration of the Plan.

APPENDIX C

SHAKOPEE FIRE DEPARTMENT RELIEF ASSOCIATION

Benefit Levels

Benefit Level Effective Date	Benefit Level per Year of Active Service	Interest Rate for Deferred Pension Benefit	Date Benefit Approved by Municipality
August 1, 2019	$8,750	5%	May 7, 2019
August 1, 2018	$8,425	5%	May 1, 2018
August 1, 2017	$8,025	5%	July 18, 2017
August 1, 2016	$7,800	5%	December 17, 2013
August 1, 2015	$7,700	5%	December 17, 2013
August 1, 2014	$7,600	5%	December 17, 2013
August 31 , 2005	$7,500	5%	May 1 , 2001

NA means not applicable.
NR means not required.
TBD means to be determined

RESOLUTION NO. 7913

A RESOLUTION OF THE CITY OF SHAKOPEE, MINNNESOTA APPROVING PENSION BENEFIT GUIDELINES FOR THE SHAKOPEE FIRE DEPARTMENT RELIEF ASSOCIATION AND BENEFIT INCREASE EFFECTIVE AUGUST 1, 2017

WHEREAS, the City of Shakopee (City) and the Shakopee Fire Department (SFD) strive to provide excellent facilities and equipment while also compensating SFD Firefighters through an hourly pay rate for service calls and through payment of a pension benefit for each year of service. The pension benefit becomes partially vested after 5 years of credited service and fully vested after 20 years of credited service; and

WHEREAS, the pension benefit is funded by the Shakopee Firefighters Relief Association (SFDRA). The SFDRA investment portfolio increases in value through investment earnings, insurance funds (referred to as the 2% money) and City contributions when the Funding Coverage Percentage (PCP) falls below 100%, as mandated by Minnesota State Law. The PCP (often referred to as the coverage ratio) equals total portfolio assets divided by total pension liabilities. The FCP gives an indication of the funds available in comparison to the current liabilities; and

WHEREAS, the SFDRA operates independently of the SFD and manages the SFDRA portfolio using best investment practices and professional managers that provide diversified and balanced investment alternatives. The SFDRA Board oversees all aspects of the investment portfolio which is summarized in the SFDRA Bylaws document; and

WHERAS, the City and the SFD strive to provide competitive firefighter compensation to help attract and retain high quality personnel. The SFD recognizes that direct comparisons of compensation are difficult. For example, the SFDRA currently provides a guaranteed 5% investment option for retired members which many other organizations do not provide; and

WHEREAS, the SFDRA Board strives for adequate controls over pension benefit increases to protect both the City and Firefighters' interests. Prudent investment management will minimize the need for mandatory City contributions while also providing a pension benefit for SFD Firefighters which is guaranteed by the City; and

WHEREAS, the SFDRA Board and the SFDRA membership recommend smaller, more frequent pension benefit increases as more effective for all parties as opposed to larger, infrequent benefit increases; and

WHEREAS, investment portfolio volatility may cause mandatory contributions in any given year. Provisions should be taken to actively prepare for these risks. In addition, the SFDRA Board will continue to perform yearly detailed financial analysis of the pension benefit through various modeling techniques and recommendations from the investment professionals.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SHAKOPEE, MINNESOTA, that the City Council approves the following pension benefit guidelines and benefit increase effective August 1, 2017:

1. The SFDRA Board sets the benefit level for the SFDRA. The City Council ratifies a benefit level based on the various limitations as defined in this resolution. For the purposes of this resolution, ratify is defined as the City Council approval/guarantee of the pension benefit level. "Ratify" is the statutory term used in Minn. Stat. 424A.02 and 424A.092 to describe this process.

2. Annually, at the April SFDRA Board meeting, the SFDRA Board will receive an investment update from the selected professional investment managers recapping the past year and outlook for the current year.

3. Annually, the City Council will review the previously ratified per year of service SFDRA pension benefit and revise this resolution as needed to update the recommended policy guidelines.

4. Annually, the process shall involve the following steps:

    a. The SFDRA Board will calculate the Funding Coverage Percentage (FCP) (defined as the ratio of investment portfolio assets divided by pension fund liabilities effective December 31st of the previous year, which values shall be confirmed by the SFDRA auditor).

    b. Any pension benefit increase request from above shall be contingent upon majority approval by the SFDRA membership in April. This demonstrates the SFDRA Board's commitment to the new pension benefit level.

    c. The recommended implementation date of the new pension benefit level once all contingencies are met would be August 1st of the current year to ensure the completion of the final audit, obtain the necessary approvals from the City Council, the SFDRA Board and membership, and the filing of bylaw amendments.

    d. If the full SFDRA membership does not have majority approval of the same pension benefit level approved by the City Council, the pension benefit level will remain unchanged.

5. The recommended Funding Coverage Percentages and corresponding per year of service pension benefit percentage increases are as follows:

    a. FCP less than 112%: no increase
    b. FCP 112% or greater but less than 117%: 3% increase
    c. FCP 117% or greater but less than 122%: 4% increase

d. FCP 122% or greater but less than 127%: 5% increase
e. FCP 127% or greater: 6% increase

6. In the event of a recommended increase pursuant to the above paragraph 5, the actual dollar amount increase would be rounded up or down to the nearest twenty-five-dollar increment.

7. As a further protection and control, there shall be no increases in the pension benefit for one year after the last mandatory City contribution. This provides a buffer and additional safeguard for the volatility that may occur when large market corrections occur.

8. All spreadsheets and financial models created by SFDRA Board members and investment professionals should be regularly updated with current information and reviewed at the annual pension benefit discussion in April.

9. These guidelines may be changed in the future by the City Council at its discretion.

10. As of December 31, 2016, the FCP was 114.4%. Therefore, based on the guidelines outlined herein, the pension benefit increase effective for August 1, 2017 will be $225.00 per year of service for a combined annual pension benefit of $8,025.00 per year of service. The City Council hereby approves this increase.

Adopted in the regular session of the City Council of the City of Shakopee, Minnesota held this 18th day of July, 2017.

Mayor of the City of Shakopee

ATTEST:

City Clerk

APPENDIX D

FIRE RELIEF BOARD OFFICER COMPENSATION LEVELS

Officer Position	Annual Salary	Date Benefit Approved by Relief Membership
President	$2,000	May 15, 2017
Vice President	$500	April 22, 2019
Secretary	$1,500	May 15, 2017
Treasurer	$2,000	May 15, 2017
Trustee	$250	April 22, 2019

APPENDIX E

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APPENDIX F

SHAKOPEE FIRE DEPARTMENT RELIEF ASSOCIATION

Special Laws

Shakopee

Laws 1976, Ch. 267 Service Pension
Laws 1979, Ch. 201 Sec. 44 Repealer of prior special laws

SOURCE: Minnesota Legislative Commission on Pensions and Retirement, "Laws Governing Volunteer Firefighter Relief Associations (Updated through the 2004 Session)" http://www.commissions.leg.state.mn.us

NA means not applicable.
NR means not required.
TBD means to be determined