City Council Item

June 9, 2025

Item	Resolution 2025-XX: PERA Police and Fire Resolution	
File No.		**Item No:** D.20
Agenda Section	**CONSENT AGENDA**	
Prepared By	Andrew Heger, Fire Chief	
Reviewed By		

SUGGESTED ACTION

Approve resolution 2025-XX authorizing part time firefighters' membership into the PERA Police & Fire retirement plan.

Motion Type	Simple Majority Vote of members present
Strategic Priority	Financial Sustainability

SUMMARY

BACKGROUND

The City of Chanhassen has historically relied on a combination of full-time staff and part-time, paid-on call (POC) firefighters to meet its fire protection and emergency response needs. This staffing model has been in place for the past several years and has undergone adjustments to address evolving community demands, recruitment challenges, and retention concerns. The paid-on call model is valued for its cost efficiency and its ability to foster community engagement, but it has faced operational challenges, particularly in ensuring consistent response coverage during varying times of day and week. Recent discussions have focused on maintaining the viability of the paid-on call model to maintain reliable service levels.

Under Minnesota Statutes Section 353.64, part-time firefighters employed by governmental subdivisions may be eligible for membership in the Public Employees Police and Fire Retirement Plan

(PERA) if they meet specific criteria. These criteria include licensure by the Board of Firefighter Training and Education under Section 299N.05 and engagement in hazardous firefighting activities. The statute allows governing bodies to declare coverage for non-full-time firefighters who devote less than 50% of their time to non-fire service duties within the same department. This legal framework provides the basis for extending retirement benefits to part-time firefighters, recognizing their contributions to public safety and their exposure to hazardous conditions.

The City of Chanhassen's fire department staffing plan aligns with broader strategic priorities, including operational excellence and community safety. The department currently employs 24 part-time POC firefighters. Good standing requirements for POC firefighters include minimum duty shifts and general alarm responses, which contribute to pension eligibility under the relief association guidelines. The proposed inclusion of part-time firefighters in PERA reflects the city's commitment to providing equitable benefits and ensuring long-term sustainability in firefighter recruitment and retention.

DISCUSSION

BUDGET

The initial hiring plan for the inclusion of part-time firefighters into the Public Employees Police and Fire Retirement Plan (PERA) is expected to have minimal budgetary impact due to the limited scope of the program. Specifically, the City of Chanhassen anticipates hiring only two to three part-time firefighters under this initiative. This measured approach ensures that the financial obligations associated with employer contributions to PERA remain manageable within the existing budget framework.

Under Minnesota Statutes Chapter 353, the employer contribution rate for the Police and Fire Plan is set at 17.70% of the employee's annual covered salary. This statutory rate is non-negotiable and applies uniformly to all participating employers. Given the limited number of hires and the part-time nature of their roles, the total salary base subject to contributions will be relatively low, further mitigating the financial impact on the city's budget.

It is also important to note that the inclusion of part-time firefighters in PERA aligns with the city's broader commitment to ensuring equitable benefits for employees engaged in hazardous work. This policy decision reflects compliance with Minnesota Statutes Section 353.64, which emphasizes the importance of providing retirement benefits to those exposed to hazardous conditions. By limiting the initial hiring to a small number of employees, the city can evaluate the program's operational and financial implications before considering any potential expansion.

In conclusion, the anticipated budgetary impact of this initiative is minimal, supported by the limited number of hires, the statutory contribution framework, and the city's robust financial position. This approach allows the city to responsibly implement the program while maintaining fiscal prudence.

RECOMMENDATION

Staff recommends the Chanhassen City Council approve Resolution 2025-XX Authorizing Part-time Firefighters Membership into PERA Police & Fire Retirement Plan.

ATTACHMENTS

Resolution Police and Fire PERA