

## Exhibit H

# Division of Surplus Assets

### 424B.20 DISSOLUTION WITHOUT CONSOLIDATION.

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Subd. 4. **Benefit trust fund establishment.** (a) After the settlement of nonbenefit legal obligations of the special fund of the volunteer firefighters relief association under subdivision 3, the board of the relief association shall transfer the remaining assets of the special fund, as securities or in cash, as applicable, to the chief financial official of the municipality in which the associated fire department was located if the fire department was a municipal fire department or to the chief financial official of the municipality with the largest population served by the fire department if the fire department was an independent nonprofit firefighting corporation. If the fire department was a joint powers entity, the remaining assets of the special fund shall be transferred to the chief financial official of the municipality designated as the fiscal agent in the joint powers agreement or, if the agreement does not designate a municipality as the fiscal agent, the remaining assets of the special fund shall be transferred to the chief financial official of the municipality with the largest population served by the joint powers fire department. The board shall also compile a schedule of the relief association members 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 applicable 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 of the relief association and state law.

(b) ~~The municipality in which is located~~ receiving the remaining assets of the special fund of a volunteer firefighters relief association that is dissolving under this section shall establish a separate account in the municipal treasury which must function as a trust fund for members of the volunteer firefighters relief association and their beneficiaries to whom the volunteer firefighters relief association owes a service pension or other benefit under the bylaws of the relief association and state law. Upon proper application, 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 prepared under paragraph (a) and the other records of the dissolved relief association. The trust fund under this section must be invested and managed consistent with chapter 356A and section 424A.095. Upon payment of the last service pension or benefit due and owing, any remaining assets in the trust fund cancel to the general fund of the municipality; or, if the fire department was a joint powers entity, any remaining assets in the trust fund cancel to the general fund of each municipality that was a contracting party to the joint powers agreement as specified in the joint powers agreement. If the joint powers agreement does not specify how the remaining assets are to be distributed among the contracting parties, each of the contracting parties shall receive a prorata share of the remaining assets based on the proportion of total operating contributions each contracting municipality made to the joint powers entity over the most recent ten calendar years. If

the special fund of the volunteer firefighters relief association had an unfunded actuarial accrued liability upon dissolution, the municipality is liable for that unfunded actuarial accrued liability. If the fire department was a joint powers entity, the contracting municipalities are liable for their share of the unfunded actuarial accrued liability as specified in the joint powers agreement. If the joint powers agreement does not specify liability for any unfunded actuarial accrued liability, the contracting municipalities are liable for their prorata share of the unfunded actuarial accrued liability based on the proportion of total operating contributions each contracting municipality made to the joint powers entity over the most recent ten calendar year.