

3. Plaintiff City of Minneapolis (“Plaintiff”) is the governing body required to make contributions to the MPRA and the MFRA’s (referred together as “Defendants”) pension funds.¹
4. On January 1, 1999, Defendants were to begin applying their respective bylaw definitions of salary to calculate unit values and determine benefit amounts. There is no testimony suggesting that anyone of Plaintiff’s employees calculated Defendants’ unit values. Rather, Defendants’ attorneys Jim Michels (“Michels”) and Brian Rice (“Rice”) of Michels, Rice, and Walther, LLP calculated the unit values.²
5. Starting in 2003 and 2004, the State Auditor questioned the methodology employed by Defendants in their respective unit value calculations. In 2004, after receiving the State Auditor’s report, Plaintiff entered into discussions with Defendants about calculating unit values in accordance with the State Auditor’s findings. Defendants did not change their calculations of unit values.
6. Plaintiff commenced this lawsuit on June 9, 2006.
7. The parties’ trial stipulations were read into the record on October 5, 2009, and are incorporated herein.³

MFRA Sick Leave Buy-Back Benefit

8. The MFRA pension benefits are calculated based on the “maximum monthly salary of a first grade firefighter.” Minn. Stat. § 423C.01, subd. 28.
9. The definition of salary, pursuant to the MFRA’s bylaws, includes, “to the extent they are payable under a collective bargaining agreement ... the maximum sick leave and vacation buy-back benefit available to first grade Firefighters.” Trial Ex. 61. The MFRA Collective Bargaining Agreement (“CBA”) states: “[a] selection premium of [sic] shall be added for all hours worked to the top step of Firefighter as follows.” Trial Ex. 11, Appendix A. Pursuant to

¹ Plaintiff is not the sole contributor to Defendants’ pension funds.

² Michels, Rice, and Walther, LLP, in addition to calculating the unit values, acts as general counsel, legislative lobbyists, and contract negotiators for Defendants. Rice also filed the Answer and the Motion to Dismiss in this lawsuit. Michels and Rice both testified at trial.

³ The Court read Plaintiff’s Proposed Stipulation of Facts, received by the Court with Plaintiff’s letter dated September 29, 2009. The Court, with approval of both parties, corrected typographical errors contained in the Proposed Stipulation of Facts. If any differences exist between the Proposed Stipulation of Facts and the stipulations as read into the record, the stipulations as they were read into the record govern.

