

TOWN OF HARRISON
COMPTROLLER'S OFFICE

E-4

TO: RICHARD DIONISIO, SUPERVISOR AND MEMBERS OF THE TOWN BOARD

FROM: MAUREEN MACKENZIE, COMPTROLLER

RE: TOWN BOARD MEETING OF NOVEMBER 29, 2023

DATE: NOVEMBER 16, 2023

Authorization is requested to approve the attached Service Fee Agreement with Penflex Actuarial Services Inc. for the actuarial and administration services they provide in connection with the LOSAP plan of Fire District #1. at a cost of \$4,550 plus an additional \$1,695 for the completion of the LOSAP audit package and GASB 73 package.

This is a budgeted item that will be paid from budget line number 010-9000-100-0825.

Kindly authorize the Supervisor as Chairperson of the Board of Fire Commissioners to execute the agreement after it is reviewed by the Law Department.

Respectfully submitted.

PENFLEX

SERVICE AWARDS FOR FIRE & EMS

50 Century Hill Drive, Suite 3
Latham, New York 12110

penflexinc.com

t 800-742-1409
f 518-783-6915
Email: info@penflexinc.com

RECEIVED
2023 OCT 31 A 10:24
COMPTROLLER
HARRISON, NY

October 2023

Ms. Maureen MacKenzie
Town of Harrison Fire District No. 1
Alfred F. Sulla, Jr. Municipal Building
1 Heineman Place
Harrison, NY 10528

Re: Service Award Program 2023-2024 Service Fee Agreement

Dear Ms. MacKenzie:

In 2023, Penflex was excited to receive positive feedback from various Plan Sponsors and LOSAP participants about the value of their Length of Service Award Programs. As specialists in LOSAP actuarial services, administration and consulting, we find it rewarding to see the tangible benefits these programs provide.

Enclosed is our service fee agreement for the upcoming administration year, which details the fees for actuarial and administration services for your program. Like every year, Penflex is eager to continue our service and remain a trusted partner for our clients.

Over the past year, Penflex has observed an increasing trend among Length of Service Award Programs: a readiness to modify existing plans. Plan Sponsors, including local municipalities, fire districts, EMS organizations, and boards, are creatively enhancing benefits to attract and retain volunteers. This could involve increasing monetary rewards, extending the maximum volunteering years, or lowering the entitlement age for service award eligibility. Penflex supports these efforts by providing tailored cost estimates for any proposed changes, ensuring key LOSAP stakeholders have access to crucial information. For a cost estimate specific to your program, please contact us at (518) 783-6933 or info@penflexinc.com.

Is your LOSAP program benefiting from Penflex's complimentary online training and tracking management system, which offers 24/7 access to a diverse range of volunteer courses? Recognizing that attending in-person training can be challenging for volunteers, we provide a convenient online alternative accessible from home. Our parent company, McNeil & Company, facilitates these training sessions. We have also introduced a secure client portal for seamless electronic sharing of plan, client, and participant information. For more details on these offerings, please contact Nicole Meeker, Penflex's Manager of Business Development and Accounts, at (518) 394-7894 or nmeeker@penflexinc.com.

The cornerstone of Penflex has always been the level of knowledge, experience, and expertise our staff exhibits when working with our clients to address their LOSAP needs and questions. For 2023, Penflex has hired two new staff members to join our growing organization. The addition of staff brings new ideas, different perspectives, and relatable LOSAP experience, all of which directly contribute to the high standards Penflex has upheld for over 30 years in servicing our clients.

Please return the signed Service Fee Agreement to Penflex Actuarial Services, LLC by January 12th, 2024, via fax at (518) 783-6915, email to info@penflexinc.com, or mail to our Latham, NY office. Your prompt response is greatly appreciated. Please note that, if applicable, an invoice for our base fee is enclosed. If you are requesting that we prepare an optional financial statement disclosure package, please review your auditor's information and make any applicable changes to the Agreement.

The Penflex team proudly meets our clients' high expectations, ensuring their best interests are at the forefront, all while maintaining our signature personalized and attentive service. We appreciate your continued trust and thank you for your ongoing business!

Paul A. Cagnetta

Paul A. Cagnetta
Vice President of Operations

Penflex Actuarial Services, LLC.
11/1/2023-10/31/2024 Service Fee Agreement

Client Copy

WEST HARRISON FIRE DEPARTMENT
SERVICE AWARD PROGRAM

Standard Services Fee Schedule

Base Fee: \$4,550

Per-Participant Fee: \$21

Payment certification and trustee directive letters: \$100 per letter

Total Estimated Standard and Distribution Services Fees: \$6,300

Optional Preparation of Financial Statement Disclosures (For Additional Fee)

Disclosure Packages Provided For Program Year 2022:

NYS LOSAP Audit Package:	<u>Yes</u>	Auditing Firm:	PKF O'Connor Davies, LLP
GASB 73 Package:	<u>Yes</u>	Contact Name:	Robert Daniele
		Email Address:	rdaniele@pkfod.com

Please Check 'Yes' Or 'No' For Program Year 2023:

Complete the NYS LOSAP Audit Package for a fee of \$595: _____ Yes _____ No

Please refer to the enclosed newsletter titled 'NYS Volunteer Firefighter LOSAP Audit Requirement' for more information.

Complete the GASB 73 Package for a fee of \$1,100: _____ Yes _____ No

Please refer to the enclosed 'GASB 73 FAQs' for more information. For a sample, please email: info@penflexinc.com.

PLEASE NOTE: If you are requesting any Disclosure Packages, please review and make any necessary changes to your auditor's information noted above.

All other services are optional and are billed only when requested. Please call for fee estimates and purchase order arrangements. Optional services include additional client meetings, drafting of special correspondence and documents, and performing actuarial cost estimate calculations. Plan transfers have a \$750 processing fee, while plan consolidations or terminations fee will be determined by the complexity of the work upon request.

To authorize Penflex Actuarial Services, LLC. to begin providing these services in accordance with this fee schedule, please have the Town Supervisor sign and return this Service Fee Agreement. Keep a copy for your records.

Print Name
Supervisor
Town of Harrison

Signature & Date

Paul A. Cagnetta
Paul A. Cagnetta
Vice President of Operations
Penflex Actuarial Services, LLC.

Email Address

PENFLEX

SERVICE AWARDS FOR FIRE & EMS

SERVICE AWARD PROGRAM STANDARD SERVICES

1. Prepare an annual Service Award Program statement for each Service Award Program participant, including those who are in payment status.
2. Prepare for the record and **for audit purposes** an annual Service Award Program report which:
 - a. shows and completely documents the calculation (defined benefit plans) or allocation (defined contribution plans) of the annual Program cost.
 - b. accounts for changes in the Program's assets.
 - c. lists the earned Service Awards (defined benefit plans) or accounts for changes in the Program account (defined contribution plans) for each participant.
 - d. summarizes the major provisions of the Program.
 - e. lists current payment recipients.
 - f. Includes a service credit listing for current participants.
 - g. includes a written description of the actuarial methods and assumptions used to calculate the annual program costs (defined benefit plans).
 - h. For members of the Sponsor's Governing Board or Officials, prepare:
 - i. "Fact Sheet" which includes current year important information about their Program.
 - ii. "Annual Report Commentary" correspondence which alerts officials about emerging issues and/or explains changes in the Program (such as increase/decrease in Program funding costs).
3. One meeting upon request, first with officials and then with volunteers to review the Annual Report, to answer questions from volunteers about their annual statements, and to provide updates on Service Award Program related legislation and on their own Program.
4. Provide pertinent forms for participants to apply for payment upon eligibility, elect or change beneficiaries, etc.
5. At year-end, provide written instructions about how to prepare the required certified listings to be approved by the Sponsor's Governing Board and Department/Company officials, posted by the Department/Company, and sent to Penflex Actuarial Services, LLC.
6. Project the Program's cash flow needs in order to plan and formulate investment strategy.
7. Prepare written notification/explanation to be sent to persons who cease to participate in the Program.
8. During normal business hours, have trained staff available to answer questions from officials and designated client contact persons.
9. Throughout the year, receive, review and reconcile financial statements from custodian and/or investment and/or insurance providers.
10. Process Service Award payment applications, certify payment amounts and eligibility, prepare payment directives and communicate directly with the payment recipient and/or custodian and/or paying agent when necessary.
11. Answer routine questions from Sponsor's auditors about the Program and the Annual Report.
12. When required, prepare vouchers for payments to the Program Trust Fund.