

E-1

TOWN/VILLAGE OF HARRISON
COMPTROLLER'S OFFICE

TO: RONALD BELMONT, SUPERVISOR AND MEMBERS OF THE TOWN BOARD
FROM: MAUREEN MACKENZIE, COMPTROLLER
RE: TOWN BOARD MEETING OF JANUARY 3, 2019
DATE: December 11, 2018

Authorization is requested to approve the attached Service Fee Agreement with Penflex Inc. for the actuarial and administration services they provide in connection with the LOSAP plan of Fire District #1. at a cost of \$5,600, plus an additional \$1,445 for the completion of the LOSAP audit package and GASB 73 package.

The agreement conforms with the language from last year that was reviewed by the the law department and found to be in order.

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

In addition, kindly authorize the Supervisor as Chairperson of the Board of Fire Commissioners to execute the agreement.

Respectfully submitted.

PENFLEX, INC.

SERVICE AWARD PROGRAM SPECIALISTS

www.penflexinc.com

Penflex, Inc.
50 Century Hill Dr., Suite 3
Latham, NY 12110

Phone: 800.742.1409
Fax: 518.783.6915
Email: info@penflexinc.com

September 2018

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 2018-2019 Service Fee Agreement

Dear Ms. MacKenzie:

Enclosed is our Service Fee Agreement for the upcoming administrative year. Pursuant to the recent amendment to the Program, there has been an increase of \$300 to the Base Fee.

In addition, we have increased our fee for preparing our GASB 73 disclosure package. Although this does not pertain to all of our clients, we have enclosed our "GASB 73 Frequently Asked Questions" for more information regarding this relatively new accounting standard. This increase only impacts those clients that elect this optional service.

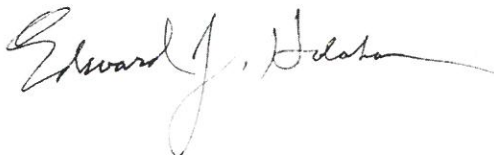
You may notice a slight change to this year's Agreement – we have incorporated last year's elections regarding our optional financial statement disclosures fees. This includes the contact information for your external auditor. If you are requesting that we prepare either of the financial statement disclosure packages, please review your auditor's information and make any applicable changes on the Agreement.

For your reference, an Annual Statement detailing fees billed and paid to Penflex over the last 12-month period and a Penflex directory are also enclosed.

Please return a signed copy of the Service Fee Agreement to Penflex. The signed Agreement can be faxed to (518) 783-6915, or emailed to: info@penflexinc.com. Please note that, if applicable, an invoice for our base fee is enclosed.

All of us at Penflex sincerely look forward to working with you for another year. Thank you for your continued business.

Serving your Volunteers,



Edward J. Holohan
President & Actuary

2018 OCT -2 PM 5:22
COMPTROLLER

PENFLEX, INC.

SERVICE AWARD PROGRAM STANDARD SERVICES

1. Prepare an annual Service Award Program participant statement for each Service Award Program participant (including those who are being paid monthly Service Awards),
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. by individual volunteer, lists their earned Service Awards (defined benefit plans) or accounts for changes in their Program accounts (defined contribution plans).
 - 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. "Special Commentary" correspondence which alerts officials about emerging issues and/or explains changes in the Program (such as increase/decrease in Program funding costs).
3. Meet (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 forms and instructions to enroll new volunteers, change beneficiaries, file for benefit payments, 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, Inc.
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 client's auditors about the Program and the annual report.
12. When required, prepare vouchers for payments to the Program Trust Fund.
13. Prepare and communicate to clients preliminary cost estimates of proposed changes to Program.
14. Help clients resolve Program funding issues.
15. Advise clients about potential Program non-compliance with applicable laws.

Penflex, Inc. 11/1/2018-10/31/2019 Service Fee Agreement

**WEST HARRISON FIRE DEPARTMENT
SERVICE AWARD PROGRAM**

Standard Services Fee Schedule

Base Fee: \$4,125, \$300 change from 2017

Per-Participant Fee: \$18, \$0 change from 2017

Payment certification and trustee directive letters: \$75 per letter, \$0 change from 2017

Total Estimated Standard and Distribution Services Fees: \$5,600

Preparation of Financial Statement Disclosures

Disclosure Packages Provided For Program Year 2017:

NYS LOSAP Audit Package: Yes

GASB 73 Package: Yes

Auditing Firm: PKF O'Connor Davies, LLP

Contact Name: Robert Daniele

Email Address: rdaniele@pkfod.com

Please Check 'Yes' Or 'No' For Program Year 2018:

Complete the NYS LOSAP Audit Package for a fee of \$495: _____ Yes _____ No

This is a \$0 change from 2017. Please refer to the enclosed newsletter titled 'New York State Volunteer Firefighter LOSAP Audit Requirement' for more information

Complete the GASB 73 Package for a fee of \$950: _____ Yes _____ No

This is a \$200 change from 2017. Please refer to the enclosed 'GASB 73 Frequently Asked Questions' for more information. For a sample GASB 73 package, 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.

To authorize Penflex, Inc. to begin providing these services in accordance with this fee schedule, please have the Chairperson of the Board of Fire Commissioners sign and return this Service Fee Agreement. Keep a copy for your records.

Chairperson, Board of Fire Commissioners
Town of Harrison Fire District No. 1

Edward J. Holohan
Edward J. Holohan, ASA
President, Penflex, Inc.