

Press Release
Issued by
Village of Tivoli
Regarding the Proposed Service Award Program for
Active Volunteer Firefighter Members of the
Tivoli Fire Department

At a special election, registered voters of the Village of Tivoli will decide whether to establish a service award program for active volunteer firefighter members of the Tivoli Fire Department. The election will be held on **Tuesday, July 17, 2007** between the hours of **12p.m. and 9p.m.** at **Watts dePeyster Hall at 1 Tivoli Commons.**

New York State political subdivisions have been able to establish service award programs for their volunteer firefighters since January 1, 1990. Service award programs are intended to help recruit and retain active volunteer firefighters.

The proposed Village of Tivoli Fire Department Service Award Program in operation is like a simple defined contribution pension plan. For each year of active volunteer firefighter service credit earned, a \$500 "Service Award" will be credited to the firefighter's Service Award Program account balance at the end of the calendar year. These funds are then invested and the investment income earned is added to the firefighter's account balance. On January 1 of the calendar year next following a participant's sixty-fifth (65) birthday, a participant will be paid his or her Service Award Program account balance. A volunteer will earn a year of service credit by accumulating a minimum State law required number of points under a point system during each year for attending fire company drills, responding to calls, completing training courses, attending company meetings, completing a one (1) year term as an officer and for other various activities. Under the proposed program, current active firefighters can earn credit for up to five (5) years of service before calendar year 2007. The earned Service Award of a firefighter will not be vested until he or she earns credit for five (5) years of service under the point system. There will be a death benefit payable under the Program for death prior to age sixty-five (65) equal to the Participant's program account balance at death. In addition, there will be a disability benefit payable under the Program for total and permanent disablement before age sixty-five (65) also equal to the Participant's program account balance at the time of disablement.

Calendar year 2007 will be the first year that firefighters have the opportunity to earn the required points under the Service Award Program Point System. In calendar year 2008, the Village will begin to fund the Program for those volunteers who earned the required points in 2007. The Program will be funded by the property taxpayers of the Village of Tivoli and of the portion of the Town of Red Hook for whom the Tivoli Fire Department provides fire protection services. For current firefighters, the estimated annual cost of the proposed program is \$15,000 to \$26,000. The Village will pay 40% of the program cost and the Town has agreed to pay 60% of the cost. After ten (10) years, the cost of the Program for current firefighters is expected to decrease by about 30%, when the cost of paying Service Awards for volunteer firefighter service before calendar year 2007 will be fully paid.

On July 17, there will be an election in the Village of Red Hook to obtain Village resident/voter approval to establish an identical program for volunteer members of the Red Hook Fire Company. This proposed program will also be jointly funded by the Town and Village of Red Hook.

Ed Holohan, the President and Actuary of Penflex Inc. of Latham, NY, is assisting the Village and Town to establish the Program. Ed Holohan/Penflex has helped establish and/or administer about 250 Service Award Programs in New York State.

Any questions about the proposed program should be directed to Mr. Holohan @ (800) 742-1409 or [e-holohan@penflexinc.com](mailto:holohan@penflexinc.com)

Currently, it is estimated that there is about seven hundred (700) Service Award Programs in place throughout volunteer fire departments in New York State. The Programs have generally been effective in retaining active members of volunteer fire companies. However, they have been less successful in recruiting new volunteers. Various organizations throughout New York State and the United States have been studying the volunteer firefighter recruitment issue. Solutions to the recruitment problem are complex, but will certainly be forth coming. A report issued by the Fireman's Association of the State of New York indicated that during calendar year 2001 volunteer firefighters saved property owners 2.8 billion dollars in property taxes in New York State.