

12-29-2011 - 2011 END OF THE YEAR MEETING

Present:

Councilman Cheryl L. Earl
Councilman Daniel L. Miller
Councilman David L. Montgomery
Councilman Norman J. Uhteg
Supervisor Mary L. Hannon

Also Present:

Attorney for the Town Linda Joseph
Highway Superintendent Donald Hopkins
Town Clerk Betsy A. Marsh
7 guests

The Sardinia Town Board held its 2011 End of the Year meeting on December 29, 2011, at the Town Hall/Community Center. The Supervisor called the meeting to order at 6:30 PM with the Pledge to the Flag, and a Moment of Silence.

The Town Clerk has submitted the minutes of the December 8, 2011 Regular Town Board Meeting. Those minutes were approved and filed as submitted on a motion by Montgomery, seconded by Earl, and carried, 5 ayes, 0 noes.

Supervisor Hannon stated that she and her Bookkeeper Angela Zona have been working on the financial reports for the end of the year so that there can be a fresh start on 2012.

Councilmen Miller reported that the Planning Board meeting on 12/21/2011, mostly concerning the Tri-County Business Park, was very productive. There were no other Councilmen reports.

Highway Superintendent Hopkins reported that he, Councilman Uhteg, and the Town Clerk have all been working on reporting the streetlight outages, and there are now only two lights that have not been repaired. He also announced that if anyone has a Christmas tree to dispose of, they can bring it down to the Highway Garage for chipping.

Attorney for the Town Linda Joseph stated that she will report and make comments on the issues as they come up on the agenda, and agreed that the Planning Board meeting was very productive. She stated she is recommending that the Board submit a comment letter by the deadline of January 11, 2012, concerning expenses only. She stated the letter should stress that the DEIS should commit to how the threshold items, sewer and water, will be handled. As the report is currently written, she stated there are all of these options which could result in expenses to the taxpayers, and the report should commit to how it is going to be done, whether Yorkshire Water and Arcade sewer, or owned by the developer, who has now finished purchasing all of the land in the business park. Attorney Joseph stated it would make sense for the Board to make a pretty strong comment that this is what the final EIS should state. She reminded the Board that the deadline for submission of letters of comment is January 11, 2012, and the Board's next meeting is January 12, 2012. On a motion by Miller, seconded by Earl, the Board directed Attorney Linda Joseph to draft a comment letter concerning the DEIS for the Tri-County Business Park. Carried, 5 ayes, 0 noes.

There were no public comments.

Supervisor Hannon stated that the next resolution is necessary for the transfer of funds within the 2011 Budget so that there are no accounts over-budget. The following resolution, to be known as Resolution #80 of 2011, was moved for adoption by Montgomery, seconded by Earl:

**RESOLUTION #80 - 2011
APPROVAL OF FUND TRANSFER**

WHEREAS, the Town of Sardinia Board approves the following transfer of funds:

<u>TRANSFER FROM</u>	<u>AMOUNT</u>	<u>TRANSFER TO</u>
A7310.100 Tiny Tots PS	\$1315.61	A7020.100 Rec. Admin.
A1990.400 Contingency	\$4343.50	A7140.120 Play. SR - PS
A7140.400 Play. Contra.	\$ 216.29	A7180.100 Spec Rec. PS
A9030.800 Soc Sec.	\$162.28	A9089.800 Medicare
A6772.400 Prog. Aging Cont	\$ 73.37	A6772.410 – Meals on Wheels
A3510.100 Dog Cont PS	\$186.00	A3510.400 – Dog Cont Contr
DA5142.121 Dept Spt SR	\$ 77.32	DA5110.121 Dept Spt GR
DA5142.120 SR PS	\$154.12	DA5110.120 SR Gen Rep
SL599 – Fund Balance	\$65.54	SL5182.413 – Chaffee Ham.

NOW, THEREFORE, BE IT RESOLVED, the Sardinia Town Board approves the above mentioned transfer of funds for 2011.

Upon roll call vote, Earl, aye, Miller, aye, Montgomery, aye, Uhteg, aye, Hannon, aye. So Resolved.

After review by the Board, General Fund Warrant #13, including vouchers #846 through #886, totaling \$18,551.19, of which \$13,417.63 is the General Fund total; \$5,015.64 is the Highway Fund total; and \$117.92 is the Street lighting fund total; was approved for payment on a motion by Montgomery, seconded by Miller, and carried, 5 ayes, 0 noes.

The Supervisor stated that the next resolution is for approval of the new LOSAP documents, and she asked the Attorney for the Town to explain the one small change that has been made. The Attorney stated that the word "pre-entitlement" has been removed from the verbiage to clarify that people between 65 and 80 years of age who continue to volunteer would get the death benefit, also. This minor change is to make it very clear of what it means, so there is no question of age discrimination, as there was in the Town of Clarence, where a lawsuit was brought. The following resolution, to be known as Resolution #81 of 2011, was then moved for adoption on a motion by Miller, seconded by Montgomery:

**RESOLUTION # 81 - 2011
APPROVAL OF LOSAP PLAN DOCUMENTS**

WHEREAS, the two Referendum requesting the voters to approve the Board's resolutions terminating the LOSAP Defined Benefit Plan and adopting a new LOSAP Defined Contribution Plan were both approved by the voters at the November 8, 2011 election;

WHEREAS, the establishment of the new LOSAP Defined Contribution Plan requires that the Board adopt plan documents reflecting the terms set forth in the Referendum with respect to the new LOSAP Defined Contribution Plan;

NOW THEREFORE BE IT RESOLVED THAT the Plan Documents attached hereto and previously circulated to each Member of Town Board for review in advance of this meeting are hereby approved so that the Town can go forward with the implementation of the LOSAP Defined Contribution Plan approved by the voters at the November 8, 2011 election, and

**PLAN and TRUST DOCUMENT
for the
CHAFFEE-SARDINIA FIRE COMPANY
SERVICE AWARD PROGRAM
ADOPTION AGREEMENT
for the CHAFFEE-SARDINIA FIRE COMPANY
SERVICE AWARD PROGRAM**

The Town Board of the Town of Sardinia in the County of Erie, State of New York hereby adopts the Service Award Program.

The Board hereby selects the following Plan Specifications:

1. *Name of Department:* Memorial Volunteer Fire Company of Chaffee-Sardinia NY, Inc.
2. *Tax Identification No:* XX-XXXX367
3. *Effective Date:* This Service Award Program:
 Is a new Plan effective January 1, 2012.
 Is an amendment and restatement in its entirety of a previously adopted Service Award Program of the Sponsor which was effective January 1, _____.
The amendment and restatement shall be effective January 1, 20____.
4. *Plan Year:* The twelve consecutive month period commencing on January 1 and ending on December 31.
5. *Plan Type:* This plan is a:
 Defined Benefit
 Defined Contribution
6. *Plan Administrator:*
 Political Subdivision
 State of New York
7. *Eligibility Requirements:* A volunteer must attain age:
 18
 ____ (Specify age) and must have completed a Year of Firefighting Service earning 50 qualifying points.
8. *Normal Entitlement Age:*
 60
 65
 ____ (Specify age – cannot be lower than 55)
9. *Normal Entitlement Benefit:* The Normal Entitlement Benefit shall consist of the annual sums contributed by the Town on behalf of such participant, plus interest, less administrative costs.

Maximum Number of Years to Credit: 40 (cannot exceed 40)
Maximum Monthly Benefit: N/A
10. *Prior Service:*
 0
 3
 5
 other ____ (cannot exceed 5)

(These are the consecutive years immediately preceding the plan effective date)

- 11. Vesting Schedule:
 - 5 Year Cliff (0% Years 1 through 4, 100% Year 5).
Years of Service shall include all years of Service.
 - Other 1Year (Specify)
Years of Service shall include _____

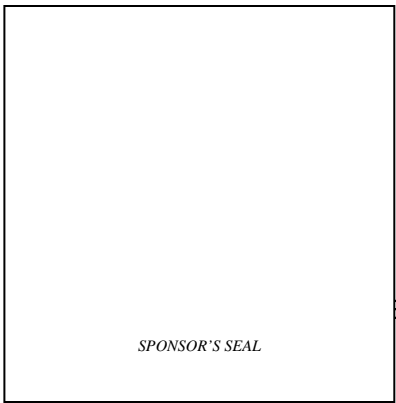
- 12. Insured Death Benefit:
 - None
 - \$10,000.00
 - \$15,000.00
 - \$20,000.00
 - Other \$ _____ (Specify)

- 13. Actuarial Equivalent: N/A

EXECUTION

By signing this document, the Sponsor shall create a Service Award Program Trust to be administered in accordance with the provision set forth in this document.

NAME OF SPONSOR	WITNESS
SIGNATURE OF SPONSOR	TITLE
TITLE	DATE



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ARTICLE II

DEFINITION OF TERMS

- 2.1 **“Accrued Benefit”** means the cumulative benefit accrued annually by a Volunteer in accordance with the provisions of the Plan and Trust.
- 2.2 **“Active Volunteer Firefighter”** means a person who has been approved by the authorities in control of a duly organized volunteer fire company or volunteer fire department as an active volunteer firefighter of such fire company or department and who is faithfully and actually performing service in the protection of life and property from fire or other emergency, accident or calamity in connection with which the services of such fire company or fire department are required.
- 2.3 **“Administrator”** or **“plan administrator”** means the state comptroller, or an administrative service agency or financial organization selected by the state comptroller to perform all or a portion of the functions required to administer service award programs.
- 2.4 **“Administrative Service Agency”** means an organization duly authorized to do business in the state and which is qualified to administer and maintain records and accounts of plans which meet the requirements for qualification under the Internal Revenue Code and governmental plans.
- 2.5 **“Anniversary Date”** means the first day of the plan year.
- 2.6 **“Beneficiary”** means the person or persons entitled hereunder to receive benefits which may be payable upon or after a Participant’s death.
- 2.7 **“Contract”** means any policy or other agreement with or without any insurance element issued and not subsequently determined invalid or unenforceable by any Insurer including, but not limited to, life insurance policies, individual or group annuity contracts, and deposit administration contracts.
- 2.8 **“Death Benefit”** means the benefit payable upon the death of a Participant.
- 2.9 **“Deferred Entitlement Benefit”** means the vested benefit of a terminated Participant which will be payable upon Participant’s Normal Entitlement Date.
- 2.10 **“Defined Contribution Plan”** means any service award program that provides to eligible volunteer firefighters, a benefit as the result of definite and determinable contributions under the program, and without reference to any income, expense, gains or losses or forfeitures of other participants under the program.
- 2.11 **“Disability Benefit”** means the benefit of a Participant payable upon the termination of Active Volunteer Firefighter status as a result of total disability.
- 2.12 **“Elected or Appointed Position”** means line officers, department or company officers and president, vice president, treasurer and secretary of a fire company or department.
- 2.13 **“Entitlement Age”** means the age designated by the sponsor at which a program participant is entitled to begin receiving an unreduced service award. In no event shall the entitlement age under a program be earlier than age fifty-five (55) nor later than the age at which the participant can receive an unreduced benefit under Title II of the Social Security Act (Public Law 74-271 U.S.C. 306 et seq.). No service award program may provide for the payment of benefits (except in the case of death or disability) before age fifty-five (55).
- 2.14 **“Entry Date”** means the first day of the Plan Year nearest the date the eligibility requirements are satisfied.
- 2.15 **“Fiduciary”** means any person who exercises discretionary authority or control with respect to the administration of the program or the management or disposition of program assets or who renders investment advice for a fee to the program.
- 2.16 **“Financial Organization”** means an organization duly authorized to do business in the state and which is: (i) registered as an investment adviser under the Investment Advisers Act of 1940, as such provisions may be amended from time to time; (ii) licensed or chartered by the State Insurance Department; (iii) licensed or chartered by the State Banking Department; (iv) chartered by an agency of the federal government; or (v) subject to the jurisdiction and regulation of the Securities and Exchange Commission of the Federal Government.
- 2.17 **“Fire Service Area”** means a portion of a village that receives fire protection from a special fire department pursuant to a contract with the governing board of the village when the cost of the contract is charged to such area of the village.
- 2.18 **“Nonforfeitable”** means the unconditional and legally enforceable right to receive benefits attributable to service as an active volunteer firefighter under the program that will begin at the entitlement age specified in the program.
- 2.19 **“Normal Entitlement Age”** means the age on the date the Participant attains the normal entitlement age as specified in the Adoption Agreement and completes one Year of Service while a Participant.
- 2.20 **“Normal Entitlement Benefit”** means the benefit of a Participant payable upon attainment of his/her Normal Entitlement Date.
- 2.21 **“Normal Entitlement Date”** means the Anniversary Date coincident with or next following the date Normal Entitlement Age as elected in item 8 of the Adoption Agreement.
- 2.22 **“Participant”** means an active volunteer firefighter who is eligible for a benefit under a service award program.
- 2.23 **“Plan Year”** means the calendar year.
- 2.24 **“Political Subdivision”** means a county, city, town, town on behalf of a fire protection district, village, village on behalf of fire service area or fire district.
- 2.25 **“Prior Service”** also referred to as **“Fast Service”** and/or **“Buy Back,”** means a year of firefighting service rendered during one or more of the five (5) calendar years immediately preceding the establishment of the program. In no event shall credit be given for more than five (5) years of prior service.
- 2.26 **“Service Award”** means the benefit payable to a participant in a service award program.
- 2.27 **“Service Award Program”** or **“Program”** means a defined benefit plan or defined contribution plan established or maintained under Article 11-A of New York State General Municipal Law to provide service awards for active volunteer firefighters, pursuant to the benefit options specified by the sponsoring organization.
- 2.28 **“Special Fire Company or Department”** means a fire company or department for which a service award program cannot be established pursuant to Subdivision One or Two of Section Two Hundred Sixteen (216) of Article 11-A of New York State General Municipal Law which provides fire protection services to two or more political subdivisions under contracts with the governing boards thereof.
- 2.29 **“Sponsor”** or **“Sponsoring Organization”** means a political subdivision which has established or jointly established a service award program, a volunteer fire company or department, or any other entity responsible for fire protection.

- 2.30 **“Trustee”** means the person(s), corporation, associations or combination of them who shall at the time be acting as such from time to time hereunder.
- 2.31 **“Valuation Date”** means the Anniversary Date, used for purposes of valuing the Plan’s assets and computing the costs of funding the plan.
- 2.32 **“Vested Entitlement Benefit”** means the benefit due a Participant upon resignation or discharge.
- 2.33 **“Year of Firefighting Service”** means a twelve (12) month period during which an active volunteer firefighter participates in the fire service and satisfies the minimum requirements of participation established by the sponsoring organization maintaining the program which shall be applied on a consistent and uniform basis, subject to the minimum standards established by the sponsoring organization.

ARTICLE III

CREATION OF A SERVICE AWARD PROGRAM FOR VOLUNTEER FIREFIGHTERS

3.1 Political Subdivisions in the State of New York who establish a Service Award Program in accordance with Section 216 or Section 216-a of New York State General Municipal Law are liable for payment of a Service Award to eligible participants and their beneficiaries. Specifically paragraph (i) of Section 217 of Article 11-A requires that all Service Award Program assets be held in a Trust for the exclusive purpose of providing benefits to program participants and their beneficiaries, and also for the purpose of defraying the reasonable expense of the operation and administration of a Service Award Program in accordance with Article 11-A, the Program Sponsor of a Service Award Program is the Political Subdivision and shall mean any Fire District, Fire Protection District, Volunteer Fire Company, Village, Town, City, or other entity responsible for fire protection, having a Volunteer Fire Department. The Trustees of a Service Award Program are the members of that Subdivision’s Governing Board. By executing this document, the Chief Executive Officer of the Sponsor’s Governing Board shall create a Service Award Program Trust to be administered by the Trustees in accordance with Article II through XI of this Document.

ARTICLE IV

PARTICIPATION

4.1 **Eligibility Requirements.** All active volunteer firefighters as determined by the terms defined by the by-laws of the Board of Fire Commissioners/Village Board/Town Board are eligible to participate in the Service Award Program. This shall mean all active firefighters who have (a) attained the age specified in item 7 of the Adoption Agreement and (b) completed a Year of Firefighting Service earning 50 qualifying points.

4.2 **Entry Date.** The Anniversary Date nearest the completion of the Eligibility Requirements.

4.3 **Point System.** The requirements for earning points are attached to this document and are labeled “Service Award Program Point System – Addendum.”

4.4 **Crediting Years of Firefighting Service.** A volunteer may earn a Year of Firefighting Service for each plan year he/she was an Active Volunteer Firefighter in which he/she has attained the required age and earned 50 or more points under the Service Award Program Point System. The maximum service allowed under New York State General Municipal Law, Article 11-A is forty (40) years, including Past Service.

4.5 **Termination of a Participant.** The program will carry a participant who fails to qualify for service credits for only three (3) years. If this program provides an insured death benefit, that coverage shall cease on December 31 of the third consecutive year a volunteer fails to earn at least 50 points. Any vested participants who are dropped for failure to qualify shall retain service credits earned but will not maintain the insured death benefit coverage. Vested former participants who wish to re-enter the program will not regain the death benefit coverage until the end of the plan year in which they again complete the eligibility requirements. Any non-vested participants who are dropped for failure to qualify shall forfeit all service credits and insured death benefits. Terminated, non-vested participants shall be treated as new participants if they wish to re-enter the program.

4.6 **Waiver of a Participation.** An eligible Active Volunteer may request not to be a participant in the Service Award Program by submitting to the Plan Sponsor a written request to not participate in the Service Award Program. Such a written request to be acknowledged and approved in writing by the Plan Sponsor. The written request may be suspended at any time by the firefighter by submitting a written request to the Plan Sponsor to suspend the original request not to participate. In the event a firefighter submits a written request to the Plan Sponsor to not participate in the Service Award Program, such firefighter will permanently forfeit any Service Award he may otherwise have been entitled to receive. In the event the request once approved by the Plan Sponsor is subsequently suspended, the firefighter who submitted the original request shall be considered to have become a participant as of the last day of the calendar year during which the request to suspend the original request is approved by the Plan Sponsor. In such case, no credit for any purpose shall be granted in the Service Award Program for the firefighter’s service as an Active Volunteer prior to the date the request to suspend the original request is approved by the Plan Sponsor.

4.7 **Right to Appeal.** Any person who is denied credit for firefighting service shall, in accordance with the provisions of Section 217(g) of Article 11-A of the New York State General Municipal Law, have the right to appeal in writing to the Plan Sponsor to investigate the determination of the disallowed service credit. The decision of the Plan Sponsor shall be subject to the appropriate judicial review. Any person who has an interest in the Service Award Program shall have the right to appeal in writing to the Plan Sponsor any determination made by the Plan Sponsor in fulfillment of their responsibility to administer the Service Award Program.

4.8 **Military Duty.** A participant whose fire service is interrupted by a full time extended obligatory military service or by a single voluntary enlistment not to exceed four (4) years in the armed forces of the United States shall be considered on military leave. During such period of military leave the participant shall receive active volunteer service credit of fifty (50) points for each full year, prorated for service of less than a year. A plan participant on military service leave from the department who dies or is disabled as the result of an injury sustained while on active military duty will be entitled to his otherwise allowable benefit.

ARTICLE V

FUNDING

5.1 **Contributions.** Contributions to the Service Award Program shall be \$575.00 per year for each active volunteer firefighter who has earned fifty (50) or more points under the Service Award Program, plus the annual administration fee and last of the insured death benefits for each active volunteer firefighter.

ARTICLE VI

BENEFITS

6.1 **Accrued Benefits.** A participant's accrued benefit is calculated based on the total of the defined annual contributions made by the Town on behalf of such participant, plus interest, less administrative costs.

6.2 **Normal Entitlement Benefit.** Upon reaching Normal Entitlement Date, a participant shall be entitled to receive a lump sum payment equal to the total of the defined annual contributions made by the Town on behalf of such participant, plus interest, less administrative costs. For each year after a participant reaches his or her entitlement age, in which he or she earns fifty (50) or more points under the Service Award Program, he or she shall be entitled to an additional lump sum payment of \$575.00.

6.3 **Early Entitlement Benefit.** This Plan does not provide for an early entitlement benefit.

6.4 **Deferred/Late Entitlement Benefit.** If a participant continues to qualify as an active volunteer firefighter past Normal Entitlement, benefit payment may be deferred to the date the participant actually ceases to be an active volunteer firefighter. In the event of such deferral, the participant shall receive a benefit equal to the sum of the normal entitlement benefit plus the additional accrued benefit attributable to service after the normal entitlement date.

6.5 **Total and Permanent Disability Benefit.** A lump sum payment, the total of the defined annual contributions made by the Town on behalf of such participant, plus interest, less administrative costs at the time of the total and permanent disability shall be awarded to a participant who ceases to be an active volunteer firefighter prior to normal entitlement age as a result of total and permanent disability as determined by Worker's Compensation, Social Security, Volunteer Fireman's Benefit Law or from any other authority approved by the Plan Trustee(s). Disabled participants receiving a disability benefit payment from the Service Award Program who subsequently recover from their disability and again become active members of the department shall be considered new participants and will not be able to receive credit for the service upon which their disability payment was based.

6.6 **Temporary Line of Duty Disability.** In the event a participant sustains a temporary line of duty disablement, the participant shall be considered to continue to be an active volunteer firefighter during the periods of such disablement. The Plan Sponsor, at its sole discretion, shall determine the dates the period of disablement commenced and ended. In no event shall the period of disablement extend beyond the participant's normal entitlement date. During the period of disablement, the participant shall be considered to have earned fifty (50) points under the Service Award Program Point System for each complete calendar year within the period of disablement. If a participant is paid a benefit from the Service Award Program due to a disabling injury, no points shall be credited under the temporary lines of duty provision as a result of the same injury.

6.7 **Death Benefit.** A lump-sum death benefit shall be payable to a participant's designated beneficiary as follows:

- (a) a lump sum payment equal to the total of the defined annual contributions made by the Town on behalf of the deceased Firefighter, plus interest, less administrative costs; plus the insured death benefit elected in item 12 of the Adoption Agreement.
- (b) any active Firefighter eligible to earn credit for firefighting service prior to the effective date of the Service Award Program who dies in the first year of the plan before earning fifty (50) or more points will be given credit and will be eligible for a death benefit.
- (c) the death benefit in item 12 of the Adoption Agreement funded by life insurance exists for the plan participants between the ages of 18 and 80 (when insurable).

6.8 **Form of Benefit.** The benefit payment shall take the form of a lump sum payment upon reaching Normal Entitlement Date or the death, whichever occurs first.

6.9 **Benefit Payment.** Benefits will be paid as soon as possible after a completed application from a Plan Participant or a Plan Participant's Beneficiary is received and required points certification from the Plan Sponsor is received and provided to the program administrator. Upon reaching the normal entitlement date as defined in Article 2.20 of this document, or later if so deferred, pursuant to 6.4 of this document, the payment of the Service Award begins on the first day of the plan year following the participant's reaching the Plan's normal entitlement date.

ARTICLE VII

VESTING

7.1 **Vesting of Benefits.** The vested and nonforfeitable interest in a participant's accrued benefit shall be determined as hereinafter provided.

- (a) Normal and Deferred Entitlement: A participant shall be 100% vested.
- (b) Disability: A participant shall be 100% vested.
- © Death: A participant shall be 100% vested.
- (d) Termination of the Plan: A participant shall be 100% vested.
- (e) Termination of an Active Volunteer Firefighter: A participant who ceases their volunteer activities by reason of resignation or discharge prior to normal entitlement shall be vested and have a nonforfeitable interest in the total of the defined annual contributions made by the Town on behalf of such participant, plus interest, less administrative costs.

7.2 **Forfeiture.** Forfeiture will take effect on December 31 of the year a non-vested participant ceases to be a member of the fire department or at the end of the third (3rd) consecutive year during which an active non-vested participant fails to earn at least fifty (50) points. A firefighter will cease to be a participant in the Service Award Program:

- (a) all benefits are forfeited as of December 31 of the year in which a non-vested participant ceases to be an "Active Volunteer Firefighter".
- (b) the program will carry a participant who fails to qualify for service credits for only three (3) years. After the first year that they do not qualify, they will be sent a letter by the Sponsor asking their intentions. Insured Death benefit coverage, if provided by this plan, shall cease on December 31 of the third (3rd) consecutive year a participant fails to earn at least fifty (50) points.
- (c) any non-vested participants who are dropped for failure to qualify shall forfeit all service credits and be treated as new participants if they wish to re-enter the program.
- (d) the pre-entitlement death benefit coverage, if provided by this plan, ends when a vested participant ceases to be an "Active Volunteer Firefighter".
- (e) any vested participants who are dropped for failure to qualify shall retain service credits earned but will not have any death benefit coverage. Vested former participants who wish to re-enter the program will not regain any death benefit coverage until the end of the calendar year in which they earn a minimum of fifty (50) points, the coverage to be effective January 1 of the following calendar year.

ARTICLE VIII

PROGRAM ASSETS

8.1 **Investment of Program Assets.** The Trustees shall invest and reinvest Service Award Program Assets held in the trust and shall be required to act solely in the interest of the Service Award Program participants and their beneficiaries, subject to the restrictions of any applicable statute of the State of New York or of the United States of America and to any restrictions set forth in any appendix to this document. The Trustees may invest and hold any investment if purchased or retained in the exercise of the degree of judgment and care, under the circumstances then prevailing, which persons of prudence and intelligence exercise in the management of their own affairs, not in regard to speculation, but in regard to permanent disposition of their own funds, considering the probable income derived therefrom as well as the probable safety of their capital.

ARTICLE IX

TERMINATION OF THE SERVICE AWARD PROGRAM

9.1 In the event that the Service Award Program is abolished by the Political Subdivision in accordance with Section 216, Section 216-a and Section 216-b of Article 11-A the Trust established herein, may be continued at the direction of the Trustees for the sole benefit of the Trust Participants. In such event, the Trustees shall continue to administer the Trust pursuant to Articles II through XII of this document until all participants or their beneficiaries have received such distributions from the Service Award Program to which they are entitled and, until all other expenses incurred in the operation and administration of the program have been paid.

ARTICLE X

POWERS AND DUTIES OF THE TRUSTEES

10.1 **The Trustees shall:**

- (a) Receive Service Award Program contributions from the Political Subdivisions
- (b) Hold, invest and reinvest all monies contributed by the Political Subdivisions
- (c) Make distributions from the Trust to program participants and their beneficiaries in accordance with the terms of the Service Award Program Document
- (d) Be authorized to make distributions from the Trust to pay such expenses as administration and any operating expenses associated with the Service Award Program
- (e) Maintain complete and accurate records for all monies contributed to the Service Award Program Trust, account for all investment income earned thereon, and account for all distributions made there from
- (f) Within 120 days of the end of each plan year, prepare an annual financial statement of the Service Award Program showing trust fund balance for beginning and year end, and account for any changes in the fund balance for the plan year
- (g) Establish and maintain any accounts with banks, insurance companies or other financial institution necessary to hold, invest, reinvest, or distribute Service Award Program funds
- (h) Retain the services of an Attorney, Administrator, or any other professional necessary to administer the trust

ARTICLE XI

OTHER PROVISIONS

11.1 The Trustees of this Plan shall be the members of the Sponsor's Governing Board. Once an individual ceases to be a member of the Sponsor's Governing Board that individual will automatically cease to be a Trustee of the Service Award Program. Likewise, once an individual becomes a member of the Sponsor's Governing Board, that individual will automatically become a Service Award Program Trustee.

11.2 Although the Trustees make no representation and/or guarantee as to the possible tax consequences of participating in a service award program by a program participant or their beneficiary, the intent of the Service Award Program Trust is to comply with the provisions of all applicable statutes, rules and regulations necessary to insure that the participation in the program by a program participant does not result in a taxable event to the participant or their beneficiary prior to the date when payment of a Service Award Program benefit commences. This shall be understood even if compliance with any specific requirement of such applicable statutes, rules and regulations is not explicitly provided for within the body of this document.

11.3 Except as otherwise required by applicable law, no Service Award Program benefits from the Program Trust may be assigned, withdrawn, used as collateral or otherwise transferred by a program participant or their beneficiary prior to the date upon which benefits from the Trust commence to that participant or their beneficiary.

11.4 When a program participant or their beneficiary is, in the opinion of the program sponsor, incapacitated in any way so as to be unable to manage their financial affairs, the Trustees may distribute benefits due from the Service Award Program Trust in a manner determined by the Sponsor which is consistent with the provisions of the program document and is in accordance with Section 216 of Article 11-A of New York State General Municipal Law.

11.5 This Trust and the Trust Fund created herein shall be construed, enforced and administered in accordance with the laws of the State of New York.

11.6 The invalidity or unenforceability of any one of the provisions of this document shall not render any one or all of the remaining provisions invalid or unenforceable.

11.7 The Sponsor may at any time in whole or in part amend any or all of the provisions of this document providing that any amendment in whole or in part be communicated in writing.

Upon roll call vote, Earl, aye, Miller, aye, Montgomery, aye, Uhteg, aye, Hannon, aye. So Resolved.

Supervisor Hannon stated that the next resolution is to approve the investment policies for the LOSAP. The following resolution, to be known as Resolution #82 of 2011, was moved for adoption on a motion by Montgomery, seconded by Earl:

**RESOLUTION #82 - 2011
APPROVAL OF LOSAP INVESTMENT POLICIES**

WHEREAS, the two Referendums requesting the voters to approve the Board's resolutions terminating the LOSAP Defined Benefit Plan and adopting a new LOSAP Defined Contribution Plan were both approved by the voters on at the November 8, 2011 election;

WHEREAS, the establishment of the new LOSAP Defined Contribution Plan requires that the Board adopt Investment Policies both for the vested funds already invested in the terminated Defined Benefit Plan, and the new LOSAP Defined Contribution Plan;

NOW THEREFORE BE IT RESOLVED THAT the Investment Policies attached hereto and previously circulated to each Member of Town Board for review in advance of this meeting are hereby approved.

**TOWN OF SARDINIA
FIREMEN'S LENGTH OF SERVICE AWARD PROGRAM
FUNDS INVESTED IN THE FORMER DEFINED CONTRIBUTION PLAN**

Statement of Objectives

On November 8, 2011, the voters of the Town of Sardinia adopted a referendum terminating the former Defined Benefit Length of Service Award Plan (Former Defined Benefit Plan) and adopted a new Defined Benefit LOSAP Plan.

The Plan currently has assets of approximately \$ 355,000 which are invested with Home Town RSA through a fixed-annuity contract. The Town remains responsible for managing these funds and paying all vested benefits under the former Defined Benefit Plan.

This Investment Policy Statement has been arrived at upon consideration by the Board; of a wide range of available investment options, and describes the prudent investment options the Board deems appropriate based upon the following objectives:

1. The ability to pay all benefits and expense obligations when they are due
2. Protection of the principal
3. Minimizing risk of potential underfunding of the Plan by seeking investments which guarantee principle while providing minimum guaranteed returns
4. Eliminating the Plan's exposure to market volatility
5. Ensuring, to the extent practicable, that the current funds in the Former Defined Benefit Plan will be sufficient to pay the vested benefits, and that the Town will not be required to make any additional contributions
6. Controlling administrative costs and investment expenses

Based on these overall objectives the Board has adopted the following Investment Policy.

Type of Investments and Minimum Requirements

The Plan funds shall be invested in fixed-annuity contracts.

The issuer of the fixed-annuity contract must be an insurance company in good standing, and licensed to issue group fixed-annuity contracts in the State of New York. The issuer of any annuity shall have an AAA rating.

The minimum interest rate for any fixed-annuity contract must be at least 3%

Finally, it may be prudent, under certain circumstances, for the Plan to surrender an entire fixed-annuity contract and either pay a surrender charge or be paid for the fixed-annuity at market rates. Any decision to pay a surrender charge and/or to surrender an annuity at market rates which are below the book value of the annuity shall be submitted to the Board for approval and shall include an analysis of the expected cost and benefit of the proposed surrender.

Oversight and Management of the Plan

The financial committee of the Board shall have responsibility for overseeing and managing the Plan. The committee shall report to the Board periodically on the status of the Plan, and shall make recommendations with respect to the Plan.

Each year, the Plan Administrator shall provide the Board with a report detailing the financial condition of the Former Defined Benefit Plan including but not limited to (1) the amount, if any, of the contribution the Town must make to pay all vested benefits during the next fiscal year, (2) any significant changes in assumptions or investment returns which may affect the Town's future liabilities with respect to the Former Defined Benefit Plan, and (3) any recommendations regarding changes to this investment policy or the administration of the Former Defined Benefit Plan.

TOWN OF SARDINIA FIREMEN'S LENGTH OF SERVICE AWARD PROGRAM NEW DEFINED CONTRIBUTION PLAN

Statement of Objectives

On November 8, 2011, the voters of the Town of Sardinia adopted a referendum establishing a new Defined Contribution Length of Service Award Plan (New Defined Contribution Plan) and adopted a new Defined Benefit LOSAP Plan.

This Investment Policy Statement has been arrived at upon consideration by the Board of a wide range of available investment options and describes the prudent investment options the Board deems appropriate based upon the following objectives:

7. The ability to pay all benefits and expense obligations when they are due
8. Protection of the principle
9. Minimizing risk by seeking investments which guarantee principle while providing minimum guaranteed returns
10. Eliminating the Plan's exposure to market volatility
11. Controlling administrative costs and investment expenses

Based on these overall objectives the Board has adopted the following Investment Policy.

Type of Investments and Minimum Requirements

The Plan funds shall be invested in fixed-income and/or annuity contracts.

The issuer of the fixed-annuity contract must be an insurance company in good standing and licensed to issue group fixed-annuity contracts in the State of New York. The issuer of any annuity shall have an AAA rating.

The issuer of any fixed-income investment must carry either FDIC or similar insurance, or be backed by the full faith and credit of the United States Treasury, a state or local government, or have a AAA rating.

The minimum interest rate for any fixed-annuity contract or fixed income investment must be at least 3%.

Finally, it may be prudent under certain circumstances, for the Plan to surrender an entire fixed-annuity contract and either pay a surrender charge or be paid for the fixed-annuity at market rates. Any decision to pay a surrender charge and/or to surrender an annuity at market rates which are below the book value of the annuity shall be submitted to the Board for approval and shall include an analysis of the expected cost and benefit of the proposed surrender.

Oversight and Management of the Plan

The financial committee of the Board shall have responsibility for overseeing and managing the Plan. The committee shall report to the Board periodically on the status of the Plan, and shall make recommendations with respect to the Plan.

Each year, the Plan Administrator shall provide the Board with a report detailing the financial condition of the Former Defined Benefit Plan including but not limited to (1) the amount, if any, of the contribution the Town must make to pay all vested benefits during the next fiscal year, (2) any significant changes in assumptions, or investment returns which may affect the Town's future liabilities with respect to the Former Defined Benefit Plan, and (4) any recommendations regarding changes to this investment policy or the administration of the Former Defined Benefit Plan.

Upon roll call vote, Earl, aye, Miller, aye, Montgomery, aye, Uhteg, aye, Hannon, aye. So Resolved.

The Supervisor stated that the next resolution is to approve funding for the reimbursement of a portion of the Kiwanis' Senior Citizens Christmas Dinner, in the amount of \$750.00. Councilman Uhteg suggested that an invoice should be received before payment is made. Board members agreed and the resolution will be adopted with a stipulation that it will be paid pending the receipt of an invoice. The following resolution, to be known as Resolution #83 of 2011, was then moved for adoption on a motion by Miller, seconded by Earl:

**RESOLUTION #83 - 2011
APPROVAL OF CHAFFEE-SARDINIA KIWANIS' REQUEST
TO ASSIST IN FUNDING SARDINIA SENIOR CHRISTMAS DINNER**

WHEREAS, the Chaffee-Sardinia Kiwanis annually host a Senior's Christmas Dinner for the citizens of the Town of Sardinia, and

WHEREAS, the Sardinia Town Board has recognized this event each year for the benefit of our seniors, and

WHEREAS, the Sardinia Town Board acknowledges that the budget line for our seniors has adequate funds to grant \$750 towards this event to the Chaffee-Sardinia Kiwanis, and

NOW, THEREFORE, BE IT RESOLVED: The Sardinia Town Board approves a request from the Chaffee-Sardinia Kiwanis to reimburse a cost of \$750 which was paid for the Senior Christmas Dinner that has held on December 3, 2011 from the senior budget line, pending receipt of an invoice of the cost.

Upon roll call vote, Earl, aye, Miller, aye, Montgomery, aye, Uhteg, aye, Hannon, aye. So Resolved.

On a motion by Earl, seconded by Montgomery, the Board then moved into Executive Session at 6:46 PM to discuss negotiations with the Highway Department Employees Association. Carried, 5 ayes, 0 noes.

On a motion by Earl, seconded by Miller, the Board came back into regular session at 6:50 PM. Carried, 5 ayes, 0 noes.

There being no further business to come before the Board, on a motion by Uhteg, seconded by Earl, the meeting was adjourned at 6:51 PM. Carried, 5 ayes, 0 noes.

Respectfully Submitted,

Betsy Marsh, Town Clerk