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June 2015

John Cuttita, Chairman
Members of the Board of Fire Commissioners
Clifton Park-Halfmoon Fire District No. 1
38 Old Route 146
Clifton Park, NY 12065

Report Number: 2015M-064

Dear Chairman Cuttita and Members of the Board of Fire Commissioners:

The Office of the State Comptroller works to identify areas where fire district officials can improve their operations and provide guidance and services that will assist them in making those improvements. Our goals are to develop and promote short-term and long-term strategies to enable and encourage fire district officials to reduce costs, improve service delivery and account for and protect their entity's assets.

In accordance with these goals, we conducted an audit of the Clifton Park-Halfmoon Fire District No. 1 (District) which addressed the following question:

- Did District officials properly award firefighters Length of Service Awards Program (LOSAP) service credit?

We discussed the findings and recommendations with District officials and considered their comments in preparing this report. The District's response is attached to this report in Appendix B. District officials agreed with our recommendations and initiated, or indicated they planned to initiate, corrective action.

Background and Methodology

The District is a district corporation of the State, distinct and separate from the Towns of Clifton Park and Halfmoon and Saratoga County in which it is located. An elected five-member Board of Fire Commissioners (Board) governs the District and is responsible for the District's overall financial management and for overseeing its LOSAP.

The District's 2014 operating budget was approximately \$802,000 and was funded primarily with real property taxes. As of December 31, 2014, the District's LOSAP assets totaled \$486,364 and its contribution for the 2014 service award program year was \$19,601.

We examined the District's LOSAP for the period January 1, 2012 to December 31, 2014. We interviewed District officials and staff and reviewed Board minutes and District records to determine the process used to track and record activity points and award annual service credits and to determine whether the Board approved a list of members who earned annual service credits. We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objective. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective.

Audit Results

The District sponsors and funds a defined-contribution LOSAP, which is intended to facilitate the recruitment and retention of active volunteer firefighters by providing them with a pension-like benefit based upon their years of firefighting service to the District. Generally, upon reaching age 60, participants in the District's LOSAP will receive a lump sum, life annuity or life annuity with survivor benefits. The District's contribution per participant was \$480 per year through 2006, and \$700 per year after. When a fire district sponsors a LOSAP, district officials are required to establish a point system that complies with New York State General Municipal Law (GML). GML establishes the activities that can be included in the point system. One such activity is participation in department responses.¹ The District must grant 25 points to volunteer firefighters for responding to a minimum number of fire calls during a calendar year. The minimum number of calls is dependent on the total number of calls the fire department responds to annually. For example, if the fire department responds annually to 500 or fewer fire calls, then a volunteer firefighter must respond to at least 10 percent of the fire calls to receive points. If the fire department responds annually to more than 500 fire calls and less than 1,000 fire calls, then a volunteer firefighter must respond to at least 7.5 percent of the fire calls to receive points.

Active volunteer firefighters earning 50 service award points annually must be credited with one year of firefighting service (LOSAP service credit). Points must be granted in accordance with the point system established by the LOSAP sponsor. Annually each volunteer fire company is required to submit a list (certified under oath) to its fire district's governing board, identifying volunteer firefighters who earned at least 50 points during the preceding year. The governing board is required to review the list and approve the final annual certification, at which time each volunteer firefighter on the list must be awarded one year of LOSAP service credit.

We found that the District's point system requires that firefighters participate in a minimum of 10 percent of the District's total annual responses to be able to earn 25 service for participation in department responses. However, since the District's point system policy was modified in 2009, the District has been responding to more than 500 incidents per year. Under GML, when call volume increases to between 500 and 1,000 calls per year, the percentage of the total calls a volunteer must run to receive the 25 points drops from 10 percent to 7.5 percent. District officials were not aware

¹ Other activities that can be included are training courses, stand-bys and sleep-ins, serving in an elected or appointed position, teaching fire prevention classes, attending certain meetings, drills and certain miscellaneous activities. GML specifies the number of points that can be granted each time an activity is performed and, in most instances, the maximum number of points that can be earned for performing a given activity over the course of a year. See Appendix A for additional information regarding LOSAPs.

that the District's point system did not award points for participating in department responses in accordance with GML.

Earning the 25 service award points for participating in department responses greatly helps a firefighter satisfy the 50 point requirement for obtaining a year of LOSAP service credit. We calculated the appropriate minimum number of department responses, based on the department's call volume for each of the years within the scope of our audit, and determined if 25 points for participating in department responses (incident points) were awarded. If the points were not properly awarded, we then determined if this resulted in firefighters not receiving LOSAP service credit. As a result of the District's point system requiring participation in a minimum of 10 percent of calls, instead of 7.5 percent, we found that some volunteer firefighters did not receive 25 points and, in certain cases, a year of LOSAP service credit to which they were entitled under GML. More specifically, our review found the following:

- In 2012, incident points were not awarded to four individuals who should have received the points. As a result, two individuals did not receive LOSAP service credit. For example, one firefighter did not receive 25 points for responding to 49 calls, when the firefighter only needed to respond to 46 calls (7.5 percent of total calls) to earn the points. Without these 25 points, the firefighter did not reach the 50 points required to be awarded LOSAP service credit.
- In 2013, incident points were not awarded to three individuals. This error prevented one firefighter from receiving LOSAP service credit. This firefighter responded to 52 calls (more than 7.5 percent of total calls) and should have earned 25 points toward a year of LOSAP service credit.
- In 2014, incident points were not initially awarded to six individuals. Without these 25 points, four of these firefighters did not earn 50 points and a year of LOSAP service credit. For example, one firefighter did not receive 25 points for responding to 45 calls, when he only needed to respond to 42 calls (7.5 percent of total calls) to earn the points. Because this issue was brought to the attention of District officials at the completion of fieldwork, there was sufficient time to correct the point totals for that year.

We also reviewed the District's records concerning training courses, stand-bys and sleep-ins, serving in an elected or appointed position, teaching fire prevention classes, attending certain meetings, drills and certain miscellaneous activities and did not note any discrepancies between the records and the LOSAP points awarded.

Recommendations

District officials should:

1. Review and amend the District's point system as necessary to ensure it is consistent with GML.
2. Ensure that firefighters receive the points to which they are entitled under the District's point system and GML.

The Board has the responsibility to initiate corrective action. Pursuant to Section 181-b of the New York State Town Law, a written corrective action plan (CAP) that addresses the findings and recommendation in this report must be prepared and forwarded to our office within 90 days. To the extent practicable, implementation of the CAP must begin by the end of the next fiscal year. For more information on preparing and filing your CAP, please refer to our brochure, *Responding to an OSC Audit Report*, which you received with the draft audit report. The Board should make the CAP available for public review in the District Secretary's office.

We thank the officials of the Clifton Park-Halfmoon Fire District for the courtesies and cooperation extended to our auditors during this audit.

Sincerely,

Gabriel F. Deyo
Deputy Comptroller

APPENDIX A

ADDITIONAL LOSAP INFORMATION

GML provisions for awarding LOSAP points are summarized as follows:

- Training Courses: 25 points maximum
 - Courses under 20 hours duration – one point per hour, with a maximum of five points
 - Courses 20 to 45 hours duration – one point per hour for each hour over the initial 20 hours, with a maximum of 10 points
 - Courses over 45 hours to 100 hours duration – 15 points per course
 - Courses over 100 hours duration – 25 points per course
- Drills: One point per drill (minimum two-hour drill), with 20 points maximum
- Sleep-ins and stand-bys: One point per each qualifying event, with 20 points maximum
- Elected or appointed position: 25 points maximum per year in the position
- Meetings: One point per meeting for attending official fire company meetings, with 20 points maximum
- Participation in department responses: 25 points for meeting the minimum number of calls based on a percentage of the total number of calls the department responds to annually
 - 25 points for fire calls (i.e., all calls “other than emergency rescue and first squad calls [ambulance call]”)
 - 25 points for EMS calls (i.e., “emergency rescue and first aid squad [ambulance]” calls)
- Miscellaneous activities: One point per activity for inspections and other activities covered by New York State Volunteer Firefighters’ Benefit Law and not otherwise listed, with 15 points maximum
- Disability: Five points per month for certain line-of-duty disabilities
- Teaching fire prevention courses under certain circumstances: One point per class, with a maximum of five points

APPENDIX B

RESPONSE FROM DISTRICT OFFICIALS

The District officials' response to this audit can be found on the following pages.



CLIFTON PARK-HALFMOON FIRE DISTRICT #1

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NYS Office of the State Comptroller
Division of Local Government and School Accountability
One Broad Street Plaza
Glens Falls, NY 12801

Clifton Park-Halfmoon Fire District #1
Audit Report: **2015M-064**

Dear Sir,

The Board of Fire Commissioners of the Clifton Park-Halfmoon Fire District #1 has reviewed the draft audit report. We agree with the findings of the report.

This Audit Response will also serve as our Corrective Action Plan. The Board of Fire Commissioners approved the Response and CAP at the regular meeting on June 11, 2015.

For each recommendation included in the audit report, the following is our correction action taken.

The response and corrective action for recommendations 1 and 2 are as follows:

1. Review and amend the District's LOSAP point system as necessary to ensure that it is consistent with GML. The Board of Fire Commissioners reviewed and amended the District Service Award Point System to ensure its consistency with GML on February 15, 2015.

The District's Service Award Administrator, Penflex, Inc., revised the District LOSAP point system to be compliant with GML. The Revised Point System was adopted by the Board of Fire Commissioners at their regular meeting on February 15, 2015.

2. Ensure that firefighters receive the points to which they are entitled under the District's point system and GML. To insure that firefighters receive the points to which they were entitled, we have reviewed the LOSAP Reports for the years noted in the report.

2012: 3 of the 4 individuals would still not have qualified to receive a year of LOSAP credit for 2012 under the revised point system as they were lacking other requirements. The 4th individual left the Fire Department after one year of service

so he was not vested in the program. Any funds he received would have been forfeited.

- 2013:** 2 of the 3 individuals would still not have qualified to receive a year of LOSAP credit for 2013 under the revised point system as they were lacking other requirements. The 3rd individual had already qualified for the year of LOSAP credit without receiving any points for incident attendance.
- 2014:** The point totals for the 2014 Service Awards were calculated using the revised LOSAP point system that was adopted by the Board of Fire Commissioners on February 15, 2015. We believe they were in compliance with GML.

We are confident that in giving this response and following our Corrective Action Plan, that the Clifton Park-Halfmoon Fire District #1 LOSAP Program is in compliance with your recommendations and the GML. Thank you for your assistance in reviewing our program.

Respectfully,

John J. Cuttita, Chairman
Board of Fire Commissioners
Clifton Park-Halfmoon Fire District #1

June 11, 2015

JJC/as