

Mr. Nolan offered the following Resolution and moved for its adoption:

R-07-99

**RESOLUTION
LENGTH OF SERVICE AWARD PLAN**

WHEREAS, the Borough of Highlands (“Sponsoring Agency”) deems it appropriate and necessary to act to ensure retention of existing volunteers and to provide incentives for recruiting new volunteer firefighters and first aid squad members; and

WHEREAS, the Sponsoring Agency has determined that the creation of a Length of Service Award Program will enhance the ability of the municipality to retain and recruit volunteer firefighters and first aid squad members;

WHEREAS, certain tax benefits could accrue to eligible volunteer firefighters and first aid organization members;

WHEREAS, the Sponsoring Agency created a Length of Service Award Program (LOSAP) by Ordinance 04-09 which was adopted on August 16, 2004;

NOW, THEREFORE, BE IT RESOLVED by the Sponsoring Agency that:

- 1) A Length of Service Award Program (LOSAP) is herewith created in accordance with Chapter 388 of the Laws of 1997, to reward members of the Columbia Hose and Star Hook and Ladder Company and the Highlands First Aid Squad for their loyal, diligent, and devoted services to the residents of Sponsoring Agency.
- 2) The LOSAP shall provide for fixed annual contributions to a deferred income account for each volunteer member that meets the criteria set forth below; that such contributions shall be made in accordance with a plan that shall be established by the Sponsoring agency pursuant to P.L. 1997, c. 388; and that such plan shall be administered in accordance with the laws of the State of New Jersey, the U.S. Internal Revenue Code, and this resolution.
- 3) The LOSAP shall provide for annual contributions for each eligible member who meets the criteria as provided in Ordinance 04-09 (attached).
- 4) Estimated cost of the program has been calculated as follows:
 - a. For regular annual service: \$1,150.00 per year.
- 5) Each active volunteer member shall be credited with points for volunteer services provided to the volunteer fire department and first aid squad organization in accordance with Ordinance 04-09 (attached).

BE IT FURTHER RESOLVED that the Sponsoring Agency hereby adopts a Length of Service Award Plan Document provided by VALIC with the following identifier: 02-LOSAP-VALIC-120800.

BE IT FURTHER RESOLVED that:

- (1) Solicit Proposals: A request for proposals for a Length of Service Award Plan was prepared and made available to providers of such services.
- (2) Responding Vendors: The vendors responding to the request for proposals were:
Lincoln National Life Insurance Company
The Variable Annuity Life Insurance Company (VALIC)
- (3) Selection Rationale: The successful vendor is VALIC. The LOSAP Committee of the Highlands Fire Department and Highlands First Aid Squad reviewed all of the proposals submitted and met with representatives of the responding companies. VALIC was selected because VALIC has been found to possess the necessary administrative, enrollment, and servicing capabilities for the Plan. Costs of the program and the existing relationship with VALIC were also factors in the committee choosing VALIC.

BE IT FURTHER RESOLVED that VALIC shall be retained by the Sponsoring Agency as the contractor under the LOSAP, and VALIC shall educate all eligible volunteers of the Sponsoring Agency regarding the Plan and shall enroll and service those eligible volunteers who participate in the Plan. As enrolling agent, VALIC shall be the exclusive agent for its funding options to be offered under the Plan.

BE IT FURTHER RESOLVED that there has been no collusion, or evidence or appearance of collusion, between any local official and a representative of the contractor in the selection of a contractor for the administration of a Length of Service Award Plan pursuant to N.J.A.C. 5:30-14.29.

BE IT FURTHER RESOLVED that the Borough Administrator is hereby authorized to serve as the Local Plan Administrator of the Plan and to execute a Length of Service Award Plan with VALIC and that such Plan has been assigned by the Director of the Division of Local Government Services the following identifier: 02-LOSAP-VALIC-120800 and to submit all necessary documents to the Director of the Division of Local Government Services within the Department of Community Affairs for approval.

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BE IT FURTHER RESOLVED that the Sponsoring Agency is adopting a Length of Service Award Plan document on which VALIC has a favorable opinion of counsel indicating that the funds contributed for the benefit of volunteers shall not be taxable for the purposes of the Internal Revenue Service until the actual receipt of such funds by the volunteer due to retirement, termination after vesting, death or disability.

BE IT FURTHER RESOLVED, that a certified copy of this resolution be forwarded to the Borough Administrator, Chief Financial Officer, the Director of the Division of Local Government Services, and all appropriate Borough Officials.

Seconded by Mr. Urbanski and adopted on the following roll call vote:

ROLL CALL:

AYES: Mr. Nolan, Miss Thomas, Mr. Caizza, Mr. Urbanski, Mayor O'Neil

NAYES: None

ABSENT: None

ABSTAIN: None

Date: June 6, 2007

NINA LIGHT FLANNERY, BOROUGH CLERK

I hereby certify that the above Resolution was duly adopted by the Governing Body of the Borough of Highlands (Sponsoring Agency), in the County of Monmouth a meeting held on June 6, 2007.

NINA FLANNERY, BOROUGH CLERK