

Firefly Admin Inc.
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DATE: September 13, 2025

TO: Schodack Valley Fire District

RE: Engagement of Firefly Admin Inc. ("Firefly") for the Schodack Valley Fire District Service Award Program (the "Program")

We appreciate the opportunity to serve the Schodack Valley Fire District (the "Fire District"). To ensure a complete understanding between us, this Engagement Letter is to confirm the terms of our engagement and the nature and limitations of the services that Firefly will provide to the Fire District.

TERM

This Engagement will be effective for the following terms:

- Term 1: January 1, 2026 to December 31, 2026
- Term 2: January 1, 2027 to December 31, 2027
- Term 3: January 1, 2028 to December 31, 2028

The services and fees disclosed in this Engagement will be applicable to each Term.

SERVICES PROVIDED BY FIREFLY DURING EACH TERM

1) Third Party Administration:

- Provide year-end census reporting paperwork and forms to document that the annual certification of points was completed in compliance with New York State Law.
- Maintain census records including historical points records (to the extent it is made available to Firefly), beneficiary designations, addresses, dates of birth, start dates, social security numbers, and other necessary participant data.
- Provide the Fire District with the necessary forms and applications, including a Beneficiary Designation Form, Entitlement Form, and other forms as needed for the proper administration of the Program.
- Maintain electronic copies of Beneficiary Designation Forms on behalf of the Fire District.
- Notify the Fire District when required forms and other participant paperwork are outstanding.
- As needed, contact participants on behalf of the Fire District to request completion of forms.
- Maintain a participant web site for the Program, where Program forms and documents are located. A Beneficiary Designation Form, Entitlement Form and an Entitlement Change Form will always be provided on the site, with other forms made available as demand requires. The following documents will or may also be made available on the site:
 - Plan Summary drafted by Firefly Admin, which will include the participation requirements, the rate at which nonforfeitable interest in Program benefits increases and the Program's service awards formula.
 - Plan Document, contingent on being provided such document by the Fire District.
 - Point System, contingent on being provided such document by the Fire District.
 - Other documents as deemed necessary.
- Provide access to the ShareFile site, where documents and files will be stored electronically and may be viewed and/or downloaded at any time by designated Fire District personnel.
- Create participant benefit statements that lists birthdate, entitlement date, address, current beneficiaries, and accrued benefits. One printed copy of the Benefit Statements will be provided, unless the Fire District opts for Firefly to mail them directly. An electronic copy will be uploaded to ShareFile.
- *Optional Service (1)*: Mail the participant benefit statements directly to participants in a secure envelope. If this option is selected, the Fire District will not receive a printed copy of these statements.

Firefly does not provide the following services, and must be provided by another party or by the Fire District:
• Firefly does not provide trustee services, investment advice, legal services, or accounting services.

SERVICES NOT PROVIDED BY FIREFLY

- Communicate directly with the external auditor to answer questions.
- Provide a copy of the Annual Report, Trust Fund custodial statements, and other Program-related documents and material to the external auditor.
- *Optional Service (4):* Prepare a draft of the New York State financial statement note disclosure.

5) External Reporting Assistance:

- Update the Fire District on changes in the statutes, rules and regulations governing the Program.
- Periodically issue newsletters and articles (online or in print) relevant to service award programs, including on our blog, *The Daily Douse*.

4) Compliance Support:

- Be available from 9:00 am to 5:00 pm Eastern Standard Time, Monday to Friday (subject to holiday or other closures) to answer questions about the administration of the Program or other Program-related matters. All general questions that can be quickly answered are a courtesy service and are included in our standard administration fee. Firefly reserves the right to bill for requests requiring more significant time and research; however, a fee will be estimated and communicated before work commences.

3) Consulting:

- Receive duplicate copies of all Trust Fund custodial statements and maintain electronic copies in ShareFile.
- Reconcile and balance Trust Fund custodial statements.
- Verify and confirm benefit payments were made correctly.
- Calculate rate of return on the Trust Fund assets and track and report historical performance of the Trust, to the extent historical information is available.
- Update the accounting of the Trust Fund on a quarterly basis and provide copies as requested.
- As needed, participate in the process of selecting a portfolio/asset manager or paying agent.

2) Trustee Support:

- Certify the amount of benefits payable at entitlement age, death or disability.
- Assist the Fire District with processing benefits. We will either (1) provide a letter addressed to the custodian of the Trust assets and to be signed and sent by a representative of the Fire District, which authorizes the benefit; or (2) directly authorize the custodian of the Trust assets to process a distribution if Firefly has been empowered to make such authorization; or (3) process payment pursuant to a separate Firefly Payment Services Agreement.
- Track the progress of distributions to ensure benefits are paid correctly and in a timely fashion.
- *Optional Service (2):* Prepare the necessary IRS 1099-MISC participant tax forms, mail the forms to the participants, and then file them with the IRS and state, as required.
- Create an Annual Report that includes:
 - A statement of contributions as required by General Municipal Law §219-a(1).
 - The benefits and service credit accrued by each participant.
 - A projection of future cash flow requirements for the Trust Fund, including estimating future required contributions and expected benefits and expenses.
 - A statement of the Trust investment allocation and changes in the Trust since the last Annual Report.
 - Our calculated rate of return on the Trust during the year and historical returns as available.
 - A summary of major provisions.
 - A plain-English summary which highlights important details of the Annual Report that the Fire District should be aware of, including recommendations and action items.
- Provide six (6) printed copies of the Annual Report and store a copy electronically in ShareFile.
- Meet once with the Fire District or the Fire District's designee annually upon request.
- Respond to requests related to divorces and qualified domestic relations orders.
- Respond to requests related to income verification for loans, housing, or other similar requests.

- Unless engaged to do so, Firefly does not provide any services relative to the participant disclosure requirements detailed in New York State General Municipal Law §219-a(1) other than maintaining the participant website where the disclosure documents stipulated to be made available on that website in this Engagement Letter can be accessed, contingent on Firefly receiving such documents from the Fire District. Firefly is not responsible for the tracking or compiling of the LOSAP points, nor is Firefly obligated or responsible to audit or verify that the points have been compiled in compliance with the Point System adopted by the Fire District.

FEEES

This fee schedule shall apply for each Term of the Engagement. For optional services, please indicate a "Yes" or "No" response by marking an X in the appropriate space. Your election from the prior year, if any, has been pre-completed. If you are making a change to this election from last year, please indicate the reason for the change.

Fee Description	Fee	Estimated Quantity	Fee Estimate	Optional Service Election	Notes
Annual Fee	\$1,600	1	\$1,600	*Mandatory*	
Optional Service (1) Participant Benefit Statement Mailing	No Charge	N/A	No Charge	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	Included in Annual Fee
Optional Service (2) IRS Forms	No Charge	0	No Charge	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	Included in Annual Fee
Optional Service (4) NYS Audit Support	\$150	0	\$0	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	
Total Fee Estimate			\$1,600		

Additional services above and beyond what is reasonable and accustomed will be quoted on an as-needed basis. Examples of such additional services include, but are not limited to, special correspondence, additional meetings, cost estimates, and preparation of draft plan documents.

PAYMENTS

Firefly will bill the Fire District \$0 on January 1 of each Term. The balance of the Annual Fee will be billed after the delivery of the Annual Report. All other fees will be billed after the service is completed.

Accounts unpaid for 60 days will require that we cease rendering service until the Fire District's account is brought current. In the event we stop work or withdraw from this engagement as a result of your failure to pay on a timely basis for services rendered, we shall not be liable for any damages/penalties incurred as a result of our ceasing to render services, and the Fire District will remain responsible for payment of fees for services rendered.

The Fire District has thirty (30) business days from the invoice date, to voice any objections or questions regarding the invoice or any portion or element thereof. After the thirty (30) day period all invoices shall constitute acceptance of the invoice as submitted and payment in full will be expected within the required time frame.

WORK PRODUCT

All work product generated by Firefly Admin Inc. is the property of Firefly Admin Inc. Firefly provides forms, applications, and summary documents for the administration of the Program and are for only that purpose during the terms of this engagement.

Forms completed by participants and/or the Fire District become the property of the Fire District. We recommend that the Fire District keep the originals of all forms completed and provide photocopies to Firefly.

Formal plan documents such as the Plan Document, Trust Document/Agreement, Point System, or other Board Resolutions, are the property of the Fire District and will be used by Firefly to provide services during the terms of the engagement. Participant data (name, SSN, address, points history, etc.) remain the property of the Fire District, and are being managed and maintained by Firefly.

TERMINATION & SEVERANCE

Either party may terminate this engagement upon giving sixty (60) days written notice. Should this engagement be terminated prior to completion of services, we will prepare a final bill showing the total fees incurred for services rendered. This amount will be due and payable upon presentation.

Prior to the conclusion of the term of this engagement, Firefly will provide the Fire District with a new Engagement Letter. If the Fire District declines to engage Firefly at the end of this engagement, Firefly will assist the Fire District with transitioning services to the new vendor, including providing an electronic file of the participant data to the succeeding vendor. Any services required for transition to a new vendor will not commence until all outstanding invoices are paid.

All blank forms, applications, and summary documents provided by Firefly must be returned or destroyed once Firefly is no longer engaged to provide services to the Fire District. Plan documents will be returned to the Fire District or provided to the succeeding vendor if requested. If Firefly maintains any original participant forms, they will be returned to the Fire District or transmitted to the succeeding vendor.

CLOSING

We must have a signed Engagement Letter signed in our records before we can commence the work requested. We may terminate our representation of the Fire District if you insist that we pursue objectives that we consider imprudent, unprofessional, or unethical, or if we feel further representation is not warranted for personal reasons. Regardless of the reason for termination, the Fire District is obligated to pay for services provided and costs incurred through the date of termination.

In performing our engagement, we will be relying on the accuracy and reliability of information provided by the Fire District. We will not audit the information. Please also note that our engagement cannot be relied on to disclose errors, fraud, or other illegal acts that may exist. The procedures we perform in our engagement will be heavily influenced by the representations that we receive from the Fire District.

If, after reading this letter, you agree to the terms and conditions set forth herein, please sign below and return this letter. We recommend that you keep a copy for your records.

We again would like to express our appreciation for this opportunity to serve you. It will be our goal to daily validate the trust you have placed in Firefly Admin Inc.

Sincerely,

Anthony Hill

Anthony Hill

President

ahill@fireflyadmin.com

ACKNOWLEDGMENT

Having read and fully understood this engagement letter, the Fire District agrees to engage Firefly Admin Inc. in accordance with the terms indicated. The Fire District understands that services are to be prepared from information we provide and that Firefly is acting with the understanding that the information provided is complete and accurate. To be signed by the Chair of the Board of Fire Commissioners:

Print Name

Edward Koff

Signature

[Handwritten Signature]

Date

10/8/25