

**This is a copy of the
Response Letter from The
Relief Association**

VOLUNTEER FIREMEN'S RELIEF ASSOCIATION
OF UPPER DUBLIN TOWNSHIP
P.O. BOX 743 • FORT WASHINGTON, PA • 19034-0743

January 8, 2009

Dear Residents of Ward 1, Upper Dublin Township:

The Volunteer Firemen's Relief Association of Upper Dublin Township (Relief Association) is writing you to respond to a recent newsletter you may have received from Commissioner Robert Pesavento.

We thank Commissioner Pesavento for providing information to the public regarding the Relief Association, however we as the local association to benefit the volunteer firefighters of Upper Dublin Township, would like to provide additional information about the Relief Association.

The Relief Association is a separate and distinct entity from the Fort Washington Fire Company No. 1. (Fire Company) The existence of the Relief Association is enabled by legislation enacted by the Commonwealth of Pennsylvania; specifically Act 84 of 1968 (53 P.S. 8501 et. seq.). The Relief Association is controlled by its own set of by-laws. We elect our own officers and directors, have separate accounts (both operating and investment) and conduct separate business meetings. The Relief Association is affiliated with the Fort Washington Fire Company No. 1 as to provide benefits to the members of the Fire Company. The membership of the Relief Association coincides with that of the Fire Company.

The purpose of the Relief Association is to provide benefits to the members of the Fire Company. Act 84 states in part:

"A volunteer firefighter's relief association is an organization formed primarily for the purpose of affording financial protection to volunteer firefighters against the consequences of misfortune suffered as a result of their participation in the fire service. Such an association may also serve other purposes, ... provided only that adequate provisions be first made to serve its primary purpose... "

The Relief Association is fully funded by the Commonwealth of Pennsylvania through the Foreign Fire Insurance Tax Distribution Law (part of Act 205 of 1984) and receives no local tax funding whatsoever. The Commonwealth of Pennsylvania levies a 2 percent tax on insurance companies writing fire insurance within Pennsylvania which are not incorporated in the Commonwealth of Pennsylvania and funds the relief associations according to a prescribed formula. The Relief Association is audited every two years by the Auditor General's Office.

While Commissioner Pesavento accurately states figures taken from the most recent audit (fiscal 2005-2006) we would like to provide you with additional information:

The Relief Association provides insurance benefits for the volunteer firefighters including supplemental death and dismemberment and additional life benefits.

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The Relief Association pays insurance premiums of nearly \$180,000.00 per year for member policies. The insurance protects 161 volunteer firefighters.

The Relief Association pays for loss of personal property of firefighters who have property damaged or destroyed during the course of an emergency response.

The Relief Association reimburses firefighters at a set amount of membership fees to a certified fitness or health management facility with proof of a prescribed number of trips to that facility. (A valuable incentive for volunteer firefighters to remain fit)

The Relief Association pays the cost and administration of influenza and hepatitis vaccinations for the firefighters.

The Relief Association officers and directors review the annual Management Guidelines for Volunteer Firefighters' Relief Associations published by the Office of the Auditor General and periodically attend management seminars sponsored by the Office of the Auditor General from which certification is given.

The benefits the Relief Association offers provide an important recruiting and retention tool for the Fire Company. (Many neighboring fire companies have lost volunteers over the years and have resorted to municipally funded paid firefighter positions)

The stated value of the Relief Association fund of approximately 2.2 million dollars has lost value in light of the recent economic downturn. (Our investment counselor has informed us it may take as many as five years to regain the fund value) Additionally, there exists a strong possibility that the Commonwealth will decide to re-formulate the distribution of funds, which means there is no guarantee that funding will continue at the current level.

The fund has taken over 50 years to build to the point where it is today and while not all of it is needed to operate and fund the policies of the Relief Association, we believe we are prudently providing benefits to our volunteers. We hope to build the fund in the future so in any type of event (fiscal, natural or man-made) we can continue to provide benefits to our volunteers.

We are truly appreciative and are blessed to reside in a community who's Commissioners and residents fully fund and support the Fire Company which in turn, allows the Relief Association to concentrate its resources on providing benefits to the volunteer firefighters. Thank you.

We also believe that any attack on the Relief Association funds, even if only perceived, will have dire consequences on the overall longstanding viability of the Fire Company to remain an all-volunteer entity and are fearful of what such an attack may cause to the well-being of the volunteer firefighters who give so unselfishly to our community.

The philosophy of the Relief Association has been and will be to utilize our funds to continue to provide benefits to our volunteers and will not be to purchase equipment or augment tax revenues. To summarize, The Township supplies the assets (operating and equipment funding), the Fire Company supplies the operational labor and management (volunteers), and the Relief Association provides for the well-being of the volunteers.

Thank you for your attention and concern for this important component of our community. We believe that caring and generous residents such as you make this one of the best communities in which to live and to volunteer our services.

Always at your service,

John T. Reilley, President
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You may view copies of the fiscal 2005-2006 audit of the Relief Association from the Pennsylvania Department of the Auditor General, Office of Communications, 318 Finance Building, Harrisburg, PA 17120. You may also access the department website at www.auditorgen.state.pa.us.

Sponsored and paid for by the members of the Volunteer Firemen's Relief Association of Upper Dublin Township