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PENSION BOARD FOR THE BOROUGH OF DUNMORE

HELD:

Tuesday, June 13th, 2023

TIME:

6:00 P.M.

LOCATION:

DUNMORE COMMUNITY CENTER
1414 Monroe Avenue
Dunmore, Pennsylvania

P E N S I O N B O A R D S M E M B E R S :

- VINCE AMICO, President
- MAX CONWAY, MAYOR, Vice President
- JOHN MALECKI - absent
- WILLIAM BONA VOGLIA
- GREG WOLFF
- MARK BURTON
- LAWRENCE DURKIN, ESQ., SOLICITOR

MARIA McCOOL, RPR
OFFICIAL COURT REPORTER

1 ATTY. DURKIN: So we're here for
2 the June, 2023 Dunmore Pension Fund meeting.
3 Today is June 13th. We had continued it from
4 last Tuesday which would have been the 6th
5 after we put notice up here. Initially, can we
6 do a roll call?

7 MR. BURTON: Mark Burton.

8 MR. BONAVOGLIA: Bill Bonavoglia.

9 MR. AMICO: Vince Amico.

10 MR. WOLFF: Greg Wolff.

11 MR. COLO: Ralph Colo.

12 ATTY. DURKIN: Larry Durkin.

13 MAYOR CONWAY: Max Conway.

14 ATTY. DURKIN: The first item on our
15 agenda is we need approval of the transcribed
16 minutes from the March 28th, 2023 meeting. I
17 don't have a copy of them with me. But we had
18 received them previously from Maria. And I
19 didn't see any error in them. Can we get a
20 motion to approve the minutes from the last
21 month's meeting?

22 MR. WOLFF: I'll make that motion.

23 MR. BONAVOGLIA: I'll second.

24 ATTY. DURKIN: All in favor?

25 ALL MEMBERS: Aye.

1 ATTY. DURKIN: Okay. Old Business.
2 I don't think we have anything. New Business,
3 Ralph, can you tell us where we are in the
4 investment?

5 MR. COLO: Sure. Absolutely.
6 Surprisingly the markets have done very, very
7 well so far year to date, knock on wood for
8 that. The Borough's return net of fees is --
9 it's on page four is in excess of 5 percent
10 year to date, 5.28 percent.

11 What I want to show a little bit
12 differently at this meeting is really over the
13 last seven years when we look at the return net
14 of fees, really, you know, how the Borough has
15 done, seven years ago we were at about 12.7
16 million. Right now the balance is over 16.5.

17 So, you know, we've seen really good
18 progression over the years. There's been a
19 couple down years; last year, of course, being
20 one down 12 percent. But, you know, I think
21 the consistency of returns really has been
22 there.

23 And I think for two reasons, if you
24 look on page five, this really is a breakdown
25 of the allocations currently for the Borough.

1 There's an approximately 50.8 percent is in
2 equities; 20.8 in fixed income; 12 percent is
3 in alternatives and 16.4 percent is in cash.

4 So currently we are a little bit
5 overweight on cash. You know, we will get that
6 to work. It's Morgan Stanley's belief that we
7 are not out of the woods yet. Tomorrow as a
8 matter of fact, the federal reserve does have a
9 meeting.

10 They may pause raising interest
11 rates, but some of the effects of, you know,
12 over a 5 percentage point hike over the last
13 year and a half, really, we don't feel has hit
14 the markets totally as of yet.

15 So, you know, we are exercising
16 caution. Getting back to the asset allocation,
17 that's why we're never all in or all out. You
18 know, we adhere to the investment policy
19 statement. And we have clearly very broad
20 exposure.

21 Another good example of that is
22 even the international exposure that we have
23 which currently is about 9 percent of the
24 portfolio. Japan hit a 33 year high in their
25 Nikkei index. In the last 33 years we're, you

1 know, we're seeing new highs for some of the
2 international markets.

3 And we do have exposure, you know,
4 to those areas. So again, I do attribute that
5 to the asset allocation. Page eight is another
6 one I would like to try to point out. This is
7 the income that's being generated for the
8 portfolio.

9 So the income on an annual basis
10 right now is almost \$429,000. That's in
11 income. So that is regardless of what the
12 markets do. That's about 2.67 percent of
13 interest that we're earning on the entire
14 portfolio.

15 You know, rates are higher. But we
16 don't have everything in fixed income. Of
17 course, we have monies in equities. So, you
18 know, I think when we look at the returns, the
19 consistency of the returns, part of it is based
20 off of the income that we're getting and, of
21 course, off of the asset allocation.

22 As I stressed, you know, hopefully
23 next quarter, you know, we're looking at
24 positive returns as well. But again, I'm still
25 a little fearful of the equity markets and what

1 may happen with earnings, you know, for the
2 next quarter. Any questions?

3 ATTY. DURKIN: Okay.

4 MR. COLO: Thank you.

5 ATTY. DURKIN: Next we have
6 applications for pension. We have several
7 applications this month. The first one is for
8 John Malecki. John is a, as you know, a
9 firefighter. I want to give a little bit of
10 background on this because we had some back and
11 forth with Greg and me and Joe Duda. So John
12 has approximately 24 years.

13 MR. WOLFF: Correct, a little bit
14 over.

15 ATTY. DURKIN: Yeah, a little bit
16 over 24 years of service. So that's -- and
17 he's applied for a normal retirement pension.
18 So typically the -- well, the criteria is for
19 standard normal retirement pension, full
20 retirement pension of 50 percent is 25 years
21 and 53 years old for firefighters.

22 However, Dunmore's ordinance
23 provides that you are fully vested at 12 years
24 of service. And it further indicates that if
25 you leave on a normal retirement prior to 25,

1 you are entitled to the accrued benefit that
2 you've earned to that date.

3 So what that translates into, you
4 know, to keep it simple, you know, if you have
5 24 out of the 25 years, you are entitled to
6 24-25ths of your retirement benefit. You know,
7 your retirement benefit -- you multiply that
8 fraction by 50 percent times your -- the
9 salary calculation.

10 Because he exceeds -- he's well over
11 age 53, it's my opinion that he's entitled to
12 receive it upon leaving service of the Borough.
13 And he's indicated he's resigning effective
14 June 30th. Therefore, it is -- his calculation
15 is based on him leaving on July 1st.

16 And Mr. Duda's prepared those
17 numbers for us. My opinion to the Board is
18 that he is entitled to start receiving the
19 accrued benefit he's earned upon leaving the
20 Borough. So my recommendation is that, you
21 know, his pension is appropriate at this point.

22 I don't think we've seen too many
23 where they are leaving prior to full 25, but
24 he's also not receiving the full retirement
25 benefit he otherwise would. So with all of

1 that said, I would ask for a motion on John
2 Malecki's pension.

3 MR. WOLFF: I'll make a motion.

4 MR. AMICO: Second.

5 ATTY. DURKIN: Are there any
6 questions or on the question? All in favor?

7 ALL MEMBERS: Aye.

8 ATTY. DURKIN: Any opposed? Okay,
9 so the ayes have it. So we have a letter from
10 Joe Duda dated today which shows the
11 calculation. There's one typo in the letter.
12 The pension is effective as of July 1st, 2023.
13 It's otherwise correct. So we'll include that.
14 I also did a letter to Greg, you know, my
15 opinion on why to what he's entitled to, which
16 we'll include as part of the record also.

17 The second application we have is
18 for Anthony Garzella. And, Greg, maybe you
19 could give a background on Officer Garzella.

20 MR. WOLFF: Officer Garzella was
21 injured -- what's your injury date?

22 OFFICER GARZELLA: July 1st -- 2nd,
23 I believe, 2020.

24 MR. WOLFF: July 1st or 2nd, 2020.
25 He has since received -- we sent him to an IME,

1 Independent Medical Exam in which they
2 determined that he was permanently disabled and
3 unable to return to work. So we actually
4 started a hearing for the Heart and Lung
5 benefits. And they did initially dispute it.
6 But Officer Garzella did submit his request to
7 receive a disability pension.

8 ATTY. DURKIN: Okay. You're asking
9 for a disability pension. You're leaving the
10 Borough as of June 30th.

11 OFFICER GARZELLA: Yeah, like I
12 said, I wanted to speak to my attorneys before
13 so I knew what was going on.

14 ATTY. DURKIN: Right. And your
15 attorney is Attorney Joe Grady.

16 OFFICER GARZELLA: Right.

17 ATTY. DURKIN: Okay. And I did
18 speak to him yesterday about this. And I
19 reviewed the IME, you know, that Greg referred
20 to and, you know, it says what -- and it does
21 indicate he's permanently disabled from an
22 on-the-work injury.

23 So, you know, that's the criteria
24 for a disability pension. The IME is available
25 if anybody wants to read it. And but once it's

1 passed around, it's not a public record. So
2 we're looking for a motion to approve his
3 pension.

4 MR. AMICO: I'll make a motion.

5 ATTY. DURKIN: Okay.

6 MR. BURTON: Second.

7 ATTY. DURKIN: On the question? All
8 in favor?

9 ALL MEMBERS: Aye.

10 ATTY. DURKIN: Any opposed? Okay.

11 So the motion passes. So the pension -- it
12 will be effective as of July 1. We also
13 received a calculation from Mr. Duda on your
14 pension. And then, you know, you'll deal with
15 Attorney Grady on anything else stemming from
16 it.

17 The third -- this is a request for a
18 pension -- this is actually a request for a
19 refund of contributions. So some years ago
20 Thomas Murphy was employed as a police officer.

21 MR. WOLFF: Dunmore firefighter.

22 ATTY. DURKIN: Firefighter, sorry.
23 He was employed as a firefighter. He was
24 employed from November of 2003 through October
25 4th of 2010. So he does not have a vested

1 pension benefit. The only thing he's entitled
2 to under the ordinance is a return of his
3 contributions.

4 It's not real clear to me why -- you
5 know, we received a request from him asking for
6 a return of his contributions. You know,
7 we're -- this is obviously some years later.
8 And he is entitled to his contributions back.
9 He's also entitled to interest on his
10 contributions under the ordinance.

11 And so we asked Mr. Duda to prepare
12 a calculation of what that amount is. I would
13 note that while we're paying him interest back,
14 we've also earned money on that, you know, on
15 those funds sitting in the plan for that long.
16 We also did our due diligence to verify that in
17 the intervening 13 years, you know, since he
18 left the Borough that he hasn't already
19 received this money and, you know, we've
20 checked with --

21 MR. WOLFF: We checked with our
22 payroll company, our payroll clerk, Mr. Colo
23 and Morgan Stanley and all verified that they
24 have no record of him receiving this payment.

25 ATTY. DURKIN: Okay. We obviously

1 don't want to do this twice. So I think we've
2 done our due diligence. We have -- we do have
3 an amount from Mr. Duda.

4 MR. WOLFF: This is actually from
5 the previously actuary.

6 ATTY. DURKIN: Okay.

7 MR. WOLFF: I can't read the name --
8 Foster and Foster. We had to do some research
9 to figure out because it was not -- it wasn't
10 Joe Duda at the time. So we had to track this
11 down and Laura Prego from Foster and Foster
12 tracked down our file and I gave it to you
13 what they had listed.

14 So this is our previous actuary what
15 they have listed of what his contributions are.
16 So they are in that one that I passed out.

17 MAYOR CONWAY: So it's like 5,000
18 approximately?

19 MR. WOLFF: Yeah.

20 ATTY. DURKIN: Yeah, he has it split
21 out from, you know, from 2003 through 2010.
22 You know, it's about 5,000, yeah.

23 MR. WOLFF: There was about 1,300
24 phone calls on this.

25 MAYOR CONWAY: What, did he just

1 talk to somebody and realized it wasn't paid
2 out or --

3 MR. WOLFF: He's been asking for
4 this, once in 2015 I guess he requested it and
5 once in 2020 he requested it, whatever reason
6 it was never processed. So he had I think a
7 financial advisor. Someone reached out to me.
8 Ralph from -- it was another Ralph.

9 MR. COLO: Yeah, from Allentown, I
10 believe? He reached out to our office as well.
11 We had no record of this gentleman and/or of
12 any payment going out. And that's where
13 unfortunately Greg had to contact the former
14 actuary to see -- because I don't believe there
15 was any -- there's a record of when he was
16 employed at the Borough but not of any
17 contribution. Greg, is that correct?

18 MR. WOLFF: There was no -- he had
19 records of contributions, but he had no record
20 of this payout -- this contribution
21 reimbursement.

22 ATTY. DURKIN: Right.

23 MR. WOLFF: So, yes, we had the
24 records -- certain records to go back so far
25 because we were only able to track down to a

1 certain point. But again, through this Foster
2 and Foster, they had the records of it of what
3 he contributed. And that's what these numbers
4 are here. I apologize for not having those
5 numbers -- 6,356.

6 ATTY. DURKIN: For the sake of the
7 record there's a May 1, 2023 e-mail from Laura
8 Prego from Foster and Foster which outlines
9 specifically what, you know, what the amounts
10 are. So that's what we're approving, the
11 reimbursement to him.

12 And, you know, ideally when somebody
13 leaves we would like to return their
14 contributions then, but for whatever reason --

15 MAYOR CONWAY: Thirteen years ago.

16 ATTY. DURKIN: Yeah, stuff happens.

17 MAYOR CONWAY: Does that just come
18 out of the --

19 ATTY. DURKIN: It comes out of the
20 Pension Fund, right, because it went into --
21 you know, the contributions and the -- from
22 employees and then the payment from the Borough
23 and money from the state all go into the
24 Pension Fund. So that's where the money comes
25 out of. I do think it's -- he's entitled to

1 it. There's no question on that. So last item
2 is any public comment?

3 MR. AMICO: Do we have to make a
4 motion to vote on that?

5 ATTY. DURKIN: Oh, I thought we did.
6 I'm sorry. Do we have a motion to return his
7 contribution?

8 MR. AMICO: I'll make that.

9 MR. BONAVOGLIA: I'll second it.

10 ATTY. DURKIN: Any questions? All
11 in favor?

12 ALL MEMBERS: Aye.

13 ATTY. DURKIN: Any opposed? All
14 right, so motion passes. Any comment from the
15 public?

16 MR. RUDDY: Question, I'm the
17 President of the Police Association. One of
18 our members has been asking about an early
19 retirement, you know, she's over retirement age
20 but she doesn't quite yet have the 25 years in.

21 I just want to make sure like if she
22 wanted to leave, she would be able to collect
23 her pension immediately.

24 ATTY. DURKIN: Why don't you send me
25 the details of it, like, the name and date of

1 hire. I would rather know specifically what
2 you're talking about.

3 MR. RUDDY: Yeah, she's like 19 or
4 20 years.

5 ATTY. DURKIN: And she's over 53.

6 MR. RUDDY: Yeah, she's over 53.

7 ATTY. DURKIN: Yeah, I mean, it
8 seems like she's in the same category.

9 MR. BONAVOGLIA: It would be kind of
10 be based on the same thing like 20-25ths.

11 ATTY. DURKIN: Yeah.

12 MR. RUDDY: I'll send you the
13 details if she's interested. But she did bring
14 it up to me on a few occasions.

15 ATTY. DURKIN: Okay.

16 MR. AMICO: You're not retiring yet,
17 are you?

18 MR. RUDDY: I wish.

19 MR. BONAVOGLIA: The only other
20 thing, beneficiary forms, we were talking about
21 getting them out to the guys.

22 MR. WOLFF: You sent me some, right?

23 ATTY. DURKIN: I did. We drafted a
24 form that -- and I know I sent it out at some
25 point this year. It does not -- in the event

1 that something came up where, like, primarily
2 a return of contributions for a single person,
3 like, that would be the primary thing that I
4 could think of.

5 But it would be something -- or an
6 active person dies is the most likely scenario
7 where that could come up. It doesn't change
8 any benefit you're entitled to. But it would
9 give clarity on where money would go in the
10 event there was an unscheduled --

11 MR. WOLFF: I have them. I'll get
12 them out. Just send me a reminder if I don't
13 get them to you by the end of the week. I have
14 them. He did send them to me. I just didn't
15 get them out.

16 ATTY. DURKIN: All right. Nothing
17 else? Do we have a motion to adjourn?

18 MR. BONAVOGLIA: I'll make a motion.

19 MR. BURTON: Second.

20 ATTY. DURKIN: All in favor?

21 ALL MEMBERS: Aye.

22

23 (Meeting adjourned.)

24

25

C E R T I F I C A T E

1
2
3 I hereby certify that the proceedings and
4 evidence are contained fully and accurately in the
5 notes taken by me of the above-cause and that this copy
6 is a correct transcript of the same to the best of my
7 ability.

8
9
10 _____
11 Maria McCool, RPR
12 Official Court Reporter
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