

PENSION BOARD FOR THE BOROUGH OF DUNMORE

HELD:

Tuesday, September 10th, 2024

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 :

JANET BRIER

MAX CONWAY, MAYOR

WILLIAM BONAVOGLIA

GREG WOLFF

MARK BURTON

GREG KAMLA

LAWRENCE DURKIN, ESQ., SOLICITOR

MARIA McCOOL, RPR
OFFICIAL COURT REPORTER

1 ATTY. DURKIN: So we're here for the
2 September 10th, 2024, Dunmore Pension Board
3 meeting to order if we could start with a roll
4 call.

5 MS. BRIER: Janet Brier.

6 MR. WOLFF: Greg Wolff.

7 MR. COLO: Ralph Colo.

8 MR. BURTON: Mark Burton.

9 MR. KAMLA: Greg Kamla.

10 MR. BONAVOGLIA: Bill Bonavoglia.

11 MAYOR CONWAY: Max Conway.

12 ATTY. DURKIN: Larry Durkin. The
13 first item we have is approval of the minutes
14 from the June 11th meeting which I e-mailed to
15 everybody earlier. Do we have a motion to
16 approve the minutes?

17 MS. BRIER: I'll make that motion.

18 MR. WOLFF: I'll second.

19 ATTY. DURKIN: On the question? All
20 in favor?

21 MS. BRIER: Aye.

22 MR. WOLFF: Aye.

23 MR. BURTON: Aye.

24 MR. KAMLA: Aye.

25 MR. BONAVOGLIA: Aye.

1 MAYOR CONWAY: Aye.

2 ATTY. DURKIN: Okay. The next item
3 we have in New Business is the presentation on
4 our account if, Ralph, if you want to go ahead?

5 MR. COLO: Sure. So the
6 year-to-date returns as of the beginning of
7 September is 8.74. That's the net return for
8 the Borough. Real dollars, almost one and half
9 million dollars the Borough has in gains for
10 calendar year 2024.

11 MS. BRIER: Ralph, does that include
12 what we contributed?

13 MR. COLO: It does. It does, yes.

14 MS. BRIER: Because we had a pretty
15 substantial contribution.

16 MR. COLO: Well, the investment
17 earnings, that does not, Janet. That does not.
18 The allocation currently is a little bit over
19 50 percent in equities. We are leaning a
20 little bit heavy on the cash at this point at
21 12.7 percent.

22 It's my expectation in the next week
23 with the federal reserve meeting that rates
24 will get lowered. And at that point, you know,
25 that may be an opportunity to for to us take

1 some of that cash and implement it in some
2 other areas.

3 Right now we're earning north of 5
4 percent on our cash with zero risk. And, you
5 know, I think from a fiduciary standpoint we
6 really want to try to have as less risk as
7 possible. You know, I think that we're doing a
8 fairly decent job of that.

9 So the allocation currently is
10 within the investment policy statement but a
11 little heavy on the cash side. That I expect
12 to change between now and the end of the year.

13 You know, what we have seen over the
14 last quarter is that the large value companies
15 compared to the large cap growth companies are
16 shining. Those would be the companies that pay
17 dividends. And we absolutely are taking
18 advantage of that.

19 If I could draw your attention to --
20 actually it would be page nine. And these are
21 cumulative numbers. And we've really tried to
22 increase this. So this is the income generated
23 for the portfolios. So this is not investment
24 earnings.

25 This is what we're getting paid to

1 own different companies, different bonds. So
2 that figure as you could see right now is at
3 \$530,280, you know, for a net yield of almost 3
4 percent. And that's with no risk that 530
5 that's coming in.

6 So, you know, we like to see that as
7 well as having growth with the portfolio as
8 well. The last 12 months the portfolio net
9 return is almost 14 percent, 13.77 percent for
10 a gain of a little bit north of 2.2 million for
11 the Borough. Now, that would be for Fire,
12 Police, and Non-Uniform. So that is a
13 cumulative figure.

14 MS. BRIER: Is it a net of any
15 monies that were taken out for people who are
16 getting a pension?

17 MR. COLO: So that would just be
18 investment earnings, Janet. So that would not
19 include any monies that would be coming out.
20 So in the last 12 months, there have been
21 withdrawals of approximately \$300,000 out of
22 the portfolio to have that -- the earnings of a
23 little bit north of 2.2 million.

24 I brought a piece today that I
25 thought was -- and, of course, I'll answer any

1 questions that I thought was relatively timely
2 with the debate tonight and that is just Morgan
3 Stanley has a general election series. And
4 this is just a U.S. policy pulse piece. It is
5 A-political.

6 And, you know, I get the question
7 quite often, you know, is the market better if
8 a Republican is president, if a Democrat is
9 president? And in a lot of instances I think
10 the presidents either get too much blame or too
11 much credit.

12 You know, the federal reserve has a
13 lot to do with it. But I thought this was an
14 interesting piece for you to read. And if
15 there is any questions, I would happy to answer
16 them from you anytime after. But I thought it
17 was relatively timely.

18 And it talks about different sectors
19 of the market that perform well under different
20 parties. And, you know, from my standpoint as
21 your advisor regardless of who wins, you know,
22 we're going to manage this portfolio in a
23 prudent manner and really take advantage of
24 anything that the market, you know, does
25 provide us. So that was a piece that I

1 brought. Any other questions maybe that you
2 might have?

3 MR. KAMLA: Ralph, the only one I
4 have is -- and I'm relatively new to this; but
5 on page three, you have three different
6 accounts.

7 MR. COLO: Yes.

8 MR. KAMLA: Which is which just --

9 MR. COLO: Yeah, so the -- good
10 question, Greg. So the first account would be
11 the Fire. The second one would be the Police.
12 And the third would be the Non-Uniform. That
13 being said, all three accounts are managed the
14 same way.

15 MR. KAMLA: Okay.

16 MR. COLO: So it's not necessarily
17 where Non-Uniform has a different investment
18 policy or allocation than the Police or Fire.
19 So they are all managed with the same
20 discipline.

21 MS. BRIER: That's good to know. So
22 the police have the highest amount.

23 MR. COLO: Um hum. Any questions?

24 MAYOR CONWAY: We're good.

25 MR. COLO: Great. Thank you.

1 MS. BRIER: Thanks.

2 ATTY. DURKIN: So I guess
3 technically this is Old Business. But we have
4 one other matter for consideration on the
5 agenda tonight. If you remember prior to the
6 June meeting, we had got -- or received a
7 request for a pension from Tom Cummings who was
8 the former Borough Solicitor.

9 We discussed it at our June meeting
10 and the decision of the Board at the June
11 meeting was to not vote on it but rather to
12 have me write to Mr. Cummings and let him know
13 that there was some questions regarding it,
14 specifically questions regarding whether he was
15 eligible for a pension benefit.

16 So I did that on June 14th. I wrote
17 to Mr. Cummings and I outlined what I saw as
18 the issues regarding his request for a pension.
19 The two main issues being, you know, the
20 criteria include being a full-time permanent
21 Non-Uniform employee, second one being whether
22 or not you participated in the pension fund
23 during the course of your employment.

24 And only when you have done those
25 for the period of time that would vest you for

1 a pension would you be entitled to one. So I
2 wrote to him back on June 14th and outlined
3 these issues. I gave him copies of the
4 documents that we could find which included his
5 prior -- the ordinance of the Borough, his
6 prior fee agreements with the Borough.

7 And I told him that at least based
8 on the information that we had, I didn't see
9 how he was eligible for pension. I asked him
10 if he had any additional information to please
11 provide it. I told him that this would be an
12 agenda item on the Board's meeting for tonight.

13 And I gave him notice under the
14 Local Agency Law that he would be -- that the
15 Board would consider it tonight and he would
16 have the opportunity to be heard. I haven't
17 received anything from him. Greg, I don't
18 think you --

19 MR. WOLFF: I have not.

20 ATTY. DURKIN: All right. So the
21 meeting was advertised. He was given notice of
22 it. It's, you know, after we have gone through
23 the majority of the meeting, so I don't see
24 anything else, you know, on this. So my
25 recommendation to the Board is that he is not

1 eligible for a pension for the all the reasons
2 I outlined, you know, in my June 14th letter.

3 So I think, you know, since he has
4 made a request for it, I would suggest to the
5 Board that you vote on it one way or the other.
6 And if you wanted to make a motion to approve
7 it, you know, you could do that.

8 If you want to make a motion to deny
9 it, you could do that. So I think that is
10 where we are procedurally.

11 MR. WOLFF: I'll make a motion to
12 deny Tom Cummings' application for pension.

13 MR. BONAVOGLIA: I'll second it.

14 ATTY. DURKIN: On the question? All
15 in favor?

16 MS. BRIER: Aye.

17 MR. WOLFF: Aye.

18 MR. BURTON: Aye.

19 MR. KAMLA: Aye.

20 MR. BONAVOGLIA: Aye.

21 MAYOR CONWAY: Aye.

22 ATTY. DURKIN: Any opposed? No.
23 Okay, so from here what will happen is, I will
24 prepare what are called Findings of Fact and
25 Conclusions of Law. Janet, I think you're the

1 President of the Pension Board.

2 MS. BRIER: Am I? I know I'm
3 President of Council. I didn't know I have
4 this too.

5 ATTY. DURKIN: I'm pretty sure. So
6 it's actually going to be for your signature.

7 MS. BRIER: Okay, sure.

8 ATTY. DURKIN: So I'll coordinate
9 with you and we'll issue them to Mr. Cummings.
10 And then he has the right to appeal this
11 decision to Lackawanna County Court of Common
12 Pleas if he disagrees with it. And I think the
13 Board's done what it needs to do.

14 MS. BRIER: Okay. If he did appeal
15 it, would you represent --

16 ATTY. DURKIN: Yes.

17 MS. BRIER: Okay.

18 ATTY. DURKIN: Yeah, you know,
19 there's a process that we go through with the
20 Court, you know, and it would basically center
21 on -- it would center on a couple things in the
22 Local Agency Law. I'll spare you that until we
23 actually have it in front of us.

24 But if that happens, that is the
25 process for decisions of local agency boards

1 like a zoning board or sometimes Council and,
2 you know, this Board as well. So procedurally
3 I think we complied with the requirements of
4 the Local Agency Law. So that's all I have.
5 Any Board member have anything?

6 MS. BRIER: We're doing okay, right,
7 I mean, financially we're able to do -- to pay
8 the MMO.

9 ATTY. BURTON: Yeah.

10 MS. BRIER: We have been doing it
11 monthly so we don't have that big lump at the
12 end of the year.

13 ATTY. DURKIN: Yeah, plus you then
14 have earnings during the course of the year.

15 MR. COLO: That was a great idea to
16 do that, number one. Secondly, I think in the
17 last week or two we did get the new MMO numbers
18 from Joe Duda. So that would be applied to
19 contributions as of January of 2025.

20 MS. BRIER: Do we have that?

21 MR. BURTON: We just got it. I'll
22 forward it to you. We got it late Friday.

23 MS. BRIER: Okay. All right. Yeah,
24 it's good that we're investing all year.

25 MR. COLO: I think it makes sense.

1 MS. BRIER: And then we're not --
2 like, the first year I was in office we got
3 murdered.

4 MR. COLO: Well, it's a payment that
5 has to be made, right?

6 ATTY. DURKIN: Yeah, it's bad if
7 it's not made. It's very expensive if it's not
8 made because it would be whatever -- if you
9 failed to pay, let's say, pay half a million of
10 whatever the MMO is and you fail to pay it by
11 December 31st of this year -- and again, just
12 using my example, that half a million you would
13 be required to pay it, plus you would be
14 required to pay compound interest from January
15 1st, 2024 until it was paid at whatever your
16 assumed rate of return is. I'm not sure what
17 it is.

18 MR. COLO: The actuary rate I think
19 it's like eight which is a high number to begin
20 with.

21 ATTY. DURKIN: That's as high as I
22 think it can be. So it's very expensive, you
23 know, if you don't --

24 MS. BRIER: Right. I thought you
25 would say January 1st of 2025.

1 ATTY. DURKIN: No.

2 MS. BRIER: But it's retro.

3 ATTY. DURKIN: No, it goes back.

4 It's not -- and I've been through it once.

5 It's not negotiable.

6 MS. BRIER: Plus we want to pay it.

7 ATTY. DURKIN: Yeah, well, I mean,
8 really the one other plan that I deal with, it
9 turned out to be a good investment for the plan
10 because they did pay it and we got 8 percent.
11 But for the municipality, it's not so good.

12 MS. BRIER: So do our pension
13 payments fluctuate a lot every year? I know
14 you said this year was 300 plus.

15 MR. COLO: The MMO payments?

16 MS. BRIER: No, no, the payments we
17 pay to our retirees.

18 MR. COLO: It does vary, Janet, of
19 course, based on if somebody's passes away or
20 if there is new retirees. So, you know, there
21 is a -- it's not static. It changes really
22 every single year.

23 MS. BRIER: I was just wondering if
24 it was the same amount.

25 MR. COLO: Yeah, we could do some

1 analysis to see. But I think it's gone up
2 every year. I don't -- even with people that
3 do pass, I do think that those -- the outflows,
4 you know, increase on an annual basis.

5 MS. BRIER: I was just wondering how
6 that worked in real life -- in real time.

7 MR. COLO: Right.

8 ATTY. DURKIN: Anything else?
9 Motion to adjourn?

10 MR. KAMLA: I'll make a motion to
11 adjourn.

12 MR. BURTON: Second.

13 ATTY. DURKIN: All in favor?

14 MS. BRIER: Aye.

15 MR. WOLFF: Aye.

16 MR. BURTON: Aye.

17 MR. KAMLA: Aye.

18 MR. BONAVOGLIA: Aye.

19 MAYOR CONWAY: Aye.

20 ATTY. DURKIN: All right.

21 MS. BRIER: Thanks.
22
23
24
25

C E R T I F I C A T E

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Maria McCool, RPR
Official Court Reporter

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