

May 17, 2005

John Clark, Chairman

Anthony Arfi, Co-Chairman

Kevin Calabrese, Legislative Chairman

I applaud anyone who takes on the responsibility of leading an organization. However, I wish to point out to the three of you that with that responsibility comes the task of reporting the truth to your members. To tell the truth you must have knowledge of the subject matter you are speaking on and in the absence of that wisdom you should endeavor to find out the truth before you report to your members. Suffice it to say, the information you distributed to all members of the New York City Correction Retirees Benevolent Association relating to the VSF/Defined Benefit is false, misleading and in my opinion, its only purpose is to upset the members in your organization and to do what you three seem to excel at and that is to criticize the unions that all of you belonged to at one time and to advance your own agenda, whatever that may be. I would hope that if your members are made to pay dues that none of it goes to salaries for either of you three because that would be theft of services. If any of their money is being spent in Albany, they should receive a rebate since the time and money spent in Albany has in no way helped to make you knowledgeable on the history of the VSF. You do yourselves and your members a total disservice when you speak on something you clearly know nothing about. What I will do free of charge in this letter for the sole benefit of your members is to try and educate you by telling you the truth, backed up with facts. The three of you might want to utilize my philosophy, members always appreciate hearing the truth, and they deserve nothing less. Of course if the three of you do not share this letter with your members then they will continue to be misinformed and you will be able to foster your agenda of getting the members to turn on their unions and continue to give you money while you fill their heads with lies. This tactic should be familiar to Anthony Arfi since the information he reported regarding the Captains financial report was fully explained to him by my Treasurer, George Aufiero. He chose to print his version and disregard all that was told to him. We did in fact answer all the questions posed to us on the phone and we also took the opportunity to tell them that Arfi knew the truth but chose to not report it. Arfi then called and claimed he had nothing to do with the article. And for the record, Kevin Calabrese never called the Captains union to ask us anything. It's a shame for him that he did not call us because then he would have been educated and your members after reading this would not have known how little he knows about legislation. That is if you let your members read this.

Fact: Chapters 844 and 846 of the laws of 1987 created a VSF for Transit and Housing Police respectively. Chapter 577 of the laws of 1992 established a defined benefit for Transit Police

Officers. Chapter 375 of the laws of 1993 established a defined benefit for Housing Police. They both received the guarantee on the defined benefit in 1994.

As you can see there are separate laws dealing with the Housing and Transit Police VSF.

Calabrese reports: Transit and Housing Police Officers and Superiors (should be supervisors) were included in the Correction Legislation because they did not have a fund and in part Commissioner Hanley fulfilled a promise to them to make sure they had a place to go.

My first fact above proves they not only had a fund but that it was already guaranteed. All Commissioner Hanley did with the permission of the Correction Unions was utilize the legislation that created our fund to provide a funding mechanism for future Housing and Transit payouts. Remember the City was now under the obligation to make the guaranteed payouts. One of the reasons the Correction Bill was successful is because it was modeled after the Transit and Housing Bill. One of the reasons given in the beginning for not being able to give Correction a VSF was because we were part of NYCERS. Well Housing and Transit proved you could be separated. Housing and Transit Police Officers who retired between 1987 and 1995 had the VSF and a Guaranteed Defined Benefit. Their money is and will always come from their fund, not Correction. Had we not agreed to add them to the legislation, then the City would have submitted a separate bill for them. Those Housing and Transit Police Officers who retired after 1995 did not have a funding mechanism issue since they were merged with NYPD. The City used the language in the legislation for Correction to include Housing and Transit Police Officers who retired between 1987 and 1995 as a funding mechanism only, rather than have them wait for new legislation to be drafted by the City. Keep in mind that this legislation was a City drafted bill not Correction.

Calabrese reports: The Correction legislation guaranteed the VSF/Defined Benefit for the 1987-1995 service retired Transit and Housing Police and at the same time did not guarantee the benefit for Correction Retirees from 1999 to present. How stupid can you be! Talk about misleading the members!

Fact: Housing and Transit had their own fund and their own guarantee. What part of that does Kevin not understand? The Correction legislation for the VSF was signed in December 1999. Due to the way the City sets up the VSF, based on fiscal year the fund was actually established, July 1999. This is why those that retired from July 1999 to present are covered by the VSF. There was no money in the fund to speak of so it was clearly monumental when our payouts began and our retirees started receiving the identical payout amounts as their counterparts in Police, Fire, Housing and Transit were receiving. No need to thank us Kevin.

If you had an ounce of knowledge about how the VSF works, you would not be disseminating your lies. If in fact the Correction fund runs out of money and the Chief Actuary of the City reports there is not enough money to make a payout that year, then those members that retired from July 1, 1999 would not receive a payout that year because the Correction fund had no money, not because we paid for Housing and Transit Police. Only an idiot could possibly believe that the unions in Correction would use their members' money to fund that of another agency. Smarten up, will you. Where do you get your facts from?

Fact: You really should pay more attention, Kevin. There was no guarantee in the Correction legislation simply because there was not enough money in the fund to give the guarantee. In our legislation, it is written that our guarantee would be achieved in the year 2019 as per the actuary. Now before you get stupid again, let me remind you that after NYPD received the VSF, there were no payouts for at least 10 years. The VSF is driven by the excess funds in your respective fund based on how the market performs. It only stands to reason that when NYPD received the VSF in the 1960's, there was not much investing in the markets and when Housing and Transit received their VSF in the early 1990's, the markets were booming so their funds made enough money to guarantee their payouts. Are you following me Kevin, John, Anthony, or is this way above your heads? So, now do I need to tell you how the markets have been performing since Correction received their VSF? Who planned on the tragedy of September 11, 2001? If the fund loses money in any given year before a payout can be confirmed by the actuary, the fund must first make up the deficit and then if there is enough money in the fund to make the payout that year it will be made.

What you and others like you should be realizing, what we achieved for our members was a great benefit. We cannot be faulted for the current market troubles however, I am sure you three will make up some more lies to blame the unions. In the year 2019, the Correction VSF/Defined Benefit becomes guaranteed. Anything can happen between now and 2019 to either cause a non payout year or perhaps make the guarantee come sooner than 2019.

Calabrese reports: In order to prove his point there presently is a bill in Albany seeking to guarantee the defined benefit for service retirees from 1999 to present. He also states if in fact the guarantee existed why would there be a need for this bill? Hopefully the three experts I have addressed this letter to have distributed this letter to all their members and if so, can any of you dues paying members tell me where in this letter did I ever say the Correction VSF/Defined Benefit was already guaranteed? I said it would be guaranteed in 2019. I have explained the entire process of how the fund works, when the guarantee kicks in and how there could come a time when there might not be a payout. Do I really now need to explain why we have a bill in Albany to guarantee this benefit prior to 2019?

Calabrese reports: If the new legislation to grant Housing and Police Officers who retired between 1968 and 1987 the VSF/Defined Benefit receives a Home Rule message and then passes in Albany, the payment for this additional benefit will come from the Correction Fund. He also states that Transit and Housing does not have a fund.

I cannot believe what I have read. If Calabrese has proven anything to all the members in the N.Y.C. Correction Retiree's Benevolent Association, is the fact that he knows nothing about the subject matter on which he speaks. I have backed up all I have said by giving you the Chapter numbers that created the fund and guaranteed the defined benefit for Housing and Transit. How can Calabrese state that there is no fund for Housing and Transit? If I were a dues paying member of the above mentioned association, I would demand that Calabrese explain where he received his information from.

Calabrese reports: Where do the so-called “Unions” stand on this disparity? He further asks where were we when the whole issue of the guarantee was put in place for Housing and Transit and not Correction, in a Correction sponsored legislation.

I believe I have already proven how misinformed Calabrese is. It was the so-called unions that after years of not having a VSF for our members, finally achieved as a start a VSF for Correction members who service retired from July 1999 to present. We will continue to work to include those that retired before 1999. Perhaps like we have done in the past we would use legislation granted to others to achieve the same benefit for our members. You should all ask yourselves, why does Calabrese continue to lie to you by insisting that Correction gave the guaranteed benefit to Housing and Transit Officers? Why does he not understand that Correction only achieved the VSF in 1999 and that is when the fund started? There was no money to go back to those who retired before 1999. Housing and Transit Officers had a fund in 1987 and a defined benefit in 1992 and 1993 respectively and a guarantee on the payouts in 1994. Read carefully Kevin, Correction received the VSF in 1999, can you comprehend what I am saying?

The fact that all three Correction Unions share the same lobbyist, Floyd Holloway, is a plus. He was instrumental in helping us achieve the VSF because of his knowledge of the VSF and because he knew the entire history. He is a retired Transit Officer and he held the position of 1st Vice President for the Transit Officers. His only influence in Albany has been to use his knowledge and understanding of the VSF as well as many other benefits that were only afforded to Police and Fire to help us in Correction achieve the same.

The question I have for all you retirees that listen to John Clark, Anthony Arfi and Kevin Calabrese is WHY? Perhaps if you are able to read this then you will have a clearer picture and maybe you will see how you have wasted your money supporting an organization with leaders that only wish to upset you by disseminating lies.

Peter D. Meringolo