

# AGENDA

## Municipal Pensions Oversight Board

### Meeting of the Board Members

December 15, 2022 – 1:00 P.M.

301 Eagle Mountain Road, Second Floor, Suite 251, Charleston, WV 25311

- I. Call to Order and Roll Call
- II. Approval of Minutes of Meeting on September 22, 2022
- III. Annual Election of a Secretary/Treasurer
- IV. Old Business
  - A. Legal
    1. Beckley Fire Department Pension Board v. The Municipal Pensions Oversight Board and Chairman Civil Action No. CC-41-2022-C-185
    2. Todd Lewis Taylor v. The City of Charleston, WV Policemen's Pension and Relief Fund
    3. Paul Harrison v. the Charleston Firefighter's Pension and Relief Fund and West Virginia Municipal Pensions Oversight Board, Civil Action No. 22-C-357.
  - B. Tabled Fairmont Fire Department DROP Application Approval
  - C. Compliance Review Updates
    1. Recalculations
      - a. Charleston Fire
      - b. Dunbar Fire
      - c. Wheeling Police
      - d. Wheeling Fire
  - D. Consolidated Actuarial Report as of July 1, 2021
- V. New Business
  - A. Creation of an ad-hoc Experience Study Subcommittee
  - B. Board Clarification of 8-22-26a Supplemental Benefits – Inapplicability of 4% Limitation
  - C. P-Card Expenditures – September, October, and November 2022
  - D. Personnel
    1. Chief Financial Officer Update
  - E. Proposed Legislation
  - F. Executive Director's Report
- VI. Public Comments
- VII. Adjournment

## **MUNICIPAL PENSIONS OVERSIGHT BOARD**

### **MINUTES OF MEETING DECEMBER 15, 2022**

The Municipal Pensions Oversight Board (MPOB) met on December 15, 2022, at 1:00 PM. The location of the meeting was held at 301 Eagle Mountain Rd. Suite 251, Charleston WV 25311. Mr. Steve Neddo welcomes everyone and calls the meeting to order. Mrs. Janet Warren calls the roll.

#### **ATTENDEES**

##### **Board Members:**

Travis Blosser — Present

Jeffrey Fleck — Present

David Lanham — Absent

Sarah Long — Present

Jason Matthews, Vice Chairman — Present virtual

Steve Neddo — Chairman — Present

Michael Payne — Conference call

Tom Percy — Present

Craig Slaughter— Present

##### **Staff:**

Janet Warren — Administrative Assistant - Present

Les Smith, Accountant — Absent

Matthew Pauley, Chief Financial Officer - Present

Blair Taylor, Executive Director- Present

##### **Guest:**

Jim Ritchie- Senior Consulting Actuary, Bolton — Present

Jordan Mclane -Consulting Actuary, Bolton — Present virtual

##### **General Counsel:**

Anthony Eates — Deputy Attorney General — Present

**Minute taker:**

Janet Warren

**Approval of Minutes**

Minutes' for the MPOB meeting on September 15, 2022, were presented for approval. Mr. Neddo asked for a motion to approve the minutes.

*Motion: Motion to approve the minutes as presented; moved by Mr. Tom Percy; Seconded by Mr. Jeffrey Fleck. Passed unanimously.*

**RESOLVED the minutes for the September 15, 2022, meeting, Municipal Oversight Board Meeting minutes were approved as presented.**

**Annual Election of a Secretary/Treasurer.**

*Mr. Taylor presenting*

He introduces Mr. Matthew Pauley, newly hired CFO. Mr. Taylor noted that in the past, current CFO's have held the Secretary/Treasurer position.

*Motion: Motion to appoint Mr. Matthew Pauley as the Secretary/Treasurer; Moved by Mr. Jeffrey Fleck; seconded by Mr. Travis Blosser. Passed unanimously.*

**Resolved: Appointing of Mr. Matthew Pauley as the new Secretary/Treasurer.**

**Old Business:**

**A) Legal**

Mr. Anthony Eates presenting.

1. Beckley Fire Department Pension Board vs. MPOB Civil Action No. CC-41-2022- C – 185.

- **No update**

2. Todd Lewis Taylor v. The City of South Charleston, WV Policemen's Pension and Relief fund —Judge Webster.

- **No update**

- 3) Paul Harrison v. The Charleston Firefighter's Pension and Relief Fund and West Virginia Municipal Pensions Oversight Board, civil Action No. 22-C-357.

- **No update**

## **B) Fairmont Fire Department DROP Application**

The board did not receive a response from the City of Fairmont, on the previous tabled questions, from the September 22, 2022, Quarterly Meeting, in which the board requested. Those questions included:

- a) Is Fairmont legally allowed to limit the number of members joining?
- b) How are the members being chosen?

The City of Fairmont did submit a withdraw letter, to the MPOB, and have chosen to withdraw their DROP application.

- **No action is needed.**

## **C) Compliance Review Updates**

Mr. Blair Taylor Presenting

- **Charleston Fire-** Chief Jones gathering information, still working on recalculations. Mr. Fleck met with Mr. Jones. With the help of Mr. Fleck and staff, Mr. Jones gathered pertinent information to help with the process.
- **Dunbar Fire-** Chief Matthew's has reached out to the Dunbar Pension Secretary and Dunbar is working with the same CPA firm that Dunbar Police Pension board has used. There are other issues that Mr. Taylor is aware of and is currently working with the pension secretary, as well as their Chairman of the Board.
- **Wheeling Police-** Mr. Taylor has verbally spoken to the Wheeling Police Attorney, over the phone. The attorney for the Policemen's pension states that the city wants to make the plan whole with the city funds, however the WV Code requires that the pensioners are required to repay the overpayments. Further discussions are to occur between the parties.
- **Wheeling Fire-** Wheeling Firemen's Pension Secretary has provided a written report to the Municipal Oversight Pension Board. The report indicates the CPA firm they hired has completed the recalculations. Pension board for Wheeling Firemen's Pension has meet and agreed to adjust the Pensions to the correct amount. They voted to go ahead and pay underpaid pensioners. The Board is discussing deployment methods.

Both Boards have hired the same CPA firm to calculate pensions going forward.

#### **D: Consolidated Actuarial Report as of July 1, 2021**

Jordan McClane Presenting.

Mr. McClane is comparing the 2021 Valuation results to the previous year valuation report.

#### **2021 Valuation results- unremarkable**

- **Plan membership**- 3606 members, a decrease of only 10 members from 2020. Total membership hasn't changed much, but there is a bigger change in the active membership. A decrease of about 46 members from 2020 to 2021.
- **Accrued Liabilities** – 1.546 billion dollars in 2021. That's about 5 million dollars decrease from 2020. That decrease is due entirely to changes in discount rates. 12 out of 53 plans had a change in the discount rate, all with an increase in the discount rate (increase in discount rate reduce liabilities).
- **Normal Cost (cost assigned to active employees earning an additional year of service)** – Looked at as percentage to payroll 31% of payroll. A very small decrease from 2020, which was around 32% of payroll. As active member numbers decrease this dollar amount will decrease as well.
- **Fiscal year 2023 Contributions** – Around 71.9 million dollars in total, a slight decrease from 2020 valuation results of 72.6 million dollars. That reduction is due to the decrease in the premium tax allocation, 1.5 million from the prior year.

One remarkable result for 2021 Valuation results was the return on assets for FY21 on a MVA basis (marker value asset) return was about 23.4% on aggregate, in asset returns.

Implementation of asset smoothing is in place, gains and losses will smooth over 4 years, which will help dampen the assets of the poorer FY2022.

**Actuarial Recommendations include:**

1. Encourage the legislature to change the State Code to allow municipalities that use the Conservation funding policy to switch to the Optional funding policy. Currently, municipalities using the Conservation funding policy cannot change to a funding policy that is consistent with standard actuarial principles.
2. Discourage the use of the Alternative and Conservation funding policies as these funding policies result in expected future contributions which are much higher than current contributions and are expected to create a larger burden in the future for municipalities that fund under these policies.
3. Review the feasibility of pooling investments for these plans to reduce investment expenses and increase investment returns.

Mr. McClane states that results are shown by funding policy. The Standard and Optional are actuarial sound, funded better than the Alternative and Conservation Policy.

## **New Business:**

### **A. Creation of an Ad-hoc Experience Study Subcommittee.**

Mr. Blair Taylor Presenting:

Current Procedure timeline states that it is time for an Experience study to be completed by the Actuary. Actuary asks for a subcommittee. Mr. Taylor recommends a motion for a subcommittee and allow subcommittee to give direction to the actuary for the experience study.

Experience study is to be done and provided to municipalities. The study is completed every 3 years but not implemented for another 2 years after the study to give municipalities advanced notice of any changes in the municipal contributions required for a pension and relief fund.

*Motion: Motion to create an Ad-hoc Experience Study subcommittee; Moved by Mr. Tom Percy; seconded by Mr. Travis Blosser. Passed unanimously.*

### **Resolved: Motion for a creation of an Experience Study Subcommittee**

*Amended Motion: Motion to allow the Subcommittee to have the authority to act on behalf of the MPOB board. Moved by Mr. Tom Percy; Seconded by Mr. Travis Blosser. Passed unanimously.*

**Resolved: Motion for the creation of an Ad-Hoc Experience Study Subcommittee and gives the Subcommittee authority to act on behalf of the MPOB board.**

Mr. Neddo asks for volunteers from the Board to sit on the Experience study committee.

Mr. Travis Blosser, Mr. Jeffrey Fleck, and Mr. Tom Percy agree to sit on the committee.

**B. Board Clarification of 8-22-26a Supplemental Benefits – Inapplicability of 4% limitation**

*§8-22-26A. SUPPLEMENTAL PENSION BENEFITS ENTITLEMENT; BENEFIT PAYABLE; APPLICATION OF SECTION; CONSTRUCTION.*

*(a) Except as otherwise provided in this section, all retirees, surviving beneficiaries, disability pensioners or future retirees shall receive as a supplemental pension benefit an annualized monthly amount commencing on July 1, based on a percentage increase equal to any increase in the consumer price index as calculated by the United States Department of Labor, Bureau of Statistics, for the preceding year: Provided, That the supplemental pension benefit specified herein shall not exceed four percent per year: Provided, however, That no retiree shall be eligible for the supplemental pension benefit specified herein until July 1, after the expiration of two years from the date of retirement of said retiree: Provided further, That persons retiring prior to the effective date of this section shall receive the supplemental benefit provided for in this section immediately upon retirement and shall not be subject to the two year delay: And provided further, That the supplemental benefit shall only be calculated on the allowable amount, which is the first \$15,000 of the total annual benefit paid. If at any time, after the supplemental benefit becomes applicable, the total accumulated percentage increase in benefit on the allowable amount becomes less than seventy-five percent of the total accumulated percentage increase in the consumer price index over that same period of time, the four percent limitation shall be inapplicable until such time as the supplemental benefit paid equals seventy-five percent of the accumulated increase in the consumer price index. The supplemental pension benefit payable under the provisions of this section shall be paid in equal monthly installments.*

*Mr. Blair Taylor presenting*

Language states, once supplemental benefit is given to the member, if the buying power drops below 75% of CPI (consumer price index), then the supplemental benefits (Cost Of Living Adjustment, COLA,) cap becomes inapplicable.

MPOB Staff and Actuaries need direction on how the method is to apply, to determine the 75% rule. Different methods could include:

- **Method 1-** CPI calculated based on year to year, meaning if COLA becomes 5.4% or higher than the Cap becomes inapplicable.
- **Method 2-** Taking the CPI amounts, comparing it to the COLAs given, during the life of the retirement. If the Capped amount that the retiree

receives is 75% less than the CPI amounts, the Cap would be inapplicable.

Mr. Taylor refers to the 2004 Supreme court decision \*Compounding of Supplemental Benefits, (COLA) - (Fairmont Firemen's Pension Board vs. the City of Fairmont). Under that decision, COLA is calculated on the first \$15,000 plus the accumulated COLA.

❖ *Discussions about how the code should be interpreted begins.*

- Mr. Eates states that the Method is a pure percentage calculation and not a combination of dollar figures and percentages. He believes that is what the statute calls for in the code.
- Mr. Taylor asks if it is an accumulative percentage, a compound of the percentage or a sum of the percentage.
- Mr. Pearcy states that it is a statutory interpretation of the Code. Mr. Taylor agrees.
- Upon the Board asking if an opinion of the code from the Attorney General (AG) should be recommended, Mr. Eates states that in asking for an AG opinion, it could take 4 to 6 months to get an opinion from the AG. If there is a consensus, based on what the Board interprets, then there is no need to ask the AG for interpretation.
- Mr. Slaughter suggest that the Board look at the spreadsheets provided and clarify with discussion.
- Mr. Neddo's opinion is that it is based on a percentage and agrees with Method 1. While speaking with retired pensioners, currently and based on how the Municipalities are currently calculating the COLAs, they do not go back and look on how long you have the COLA, they look at current year COLA. Mr. Neddo states that he and the retired pensioners, that he has spoken with, have read the code as applying COLAs yearly. If the Capped amount is 75% less of the CPI, then the cap no longer applies. Also stating that when configuring the yearly COLAs, it is figured every year, on a yearly basis.
- Mr. McClane was asked to give an example of methodology 1. Under Methodology 1- If the CPI is 10%, then 10% would be applied. If CPI was 4.0% – 5.3% you would cap it at 4.0% because the 4% cap is applicable. Anything over 5.4% then the cap would be inapplicable. If it is at 20% then the member would get the full 20%.
- Mr. Taylor states should that occur, if the intent of the code is to make sure that the pensioner does not lose value based on rises of inflation, then wouldn't the full 20% apply? If you are looking at it from the length of time the member has been accruing, the longer the member has been under that 4.0%, the longer it will take the member to reach the 75% cap.

*Mr. Taylor states from the code: The purpose is to liberally interpret the code, not to decrease benefit to the member.*

- Mr. Slaughter states that Method 2 is the more actuary conservative method. in looking under two different methods. In method 1 –if the CPI is up to 4.0% then the member is keeping up with inflation. If it is above 4.0 -5.4% then they are losing. Stating the only time to make it up is when it is above 5.4.



- Mr. Slaughter asked about Method 2 stating that this method accumulates for every person, every time. An example would be if someone retired in 1996, they would fall behind, because it hasn't been above 5.4%. When calculating, you are looking at the accumulated rate of inflation from 1996 to 2022 and that may be less than 5.4% over the entire period.
- Mr. Blosser states that he has heard the same information, over the years, as Mr. Neddo has stated (see Mr. Neddo's comment above). Also, stating mistakes will be made, if calculating the COLAs on an individual employee basis, because these are configured by Pension Secretaries and not an individually paid employee. Each Municipality does not have a paid employee to calculate COLAs every year.
- Mr. Fleck questions what the methodology will do to the employers, regarding their funding of the plan and the contribution that the employer must make to adequately fund the plan.
- Mr. Ritchie responds with the experience study, stating that we aren't going to go much over 2.75.
- Mr. Taylor states that if you look from 1991 to now the average is less than 2.5. Even with a spike, it is not going to be significant enough to cause our cities to pay. But with the last experience study the CPI was reduced from 2.75 to 2.5, based on what was happening.
- Mr. McClane pulls previous experience study reports, looking at the CPIU annual average, what is used for COLA. Over 20 years the annual average was 2.17%, over 25 years it was 2.2%, over 30 years it was 2.44%.
- Mr. Eates questions Method 1- where calculations are on a year-to-year basis, that statute uses the word accumulated many times in the statute, how does that apply to method 1? Mr. Neddo responds saying that the Consumer price index is called the accumulated index in the consumer price index, which is based over several months.

Mr. Eates asks: If looking at Methodology 2- are we averaging the CPI or taking the accumulation of the CPI? Mr. McClane states they are taking the accumulation over time with Methodology 2.

- Mr. Percy ask the Actuaries based on experience, is there a preferred method. Is both methods reasonable? Mr. Ritchie states that the pension boards will have issues with calculating Method 2. Also, Mr. Ritchie has never seen a cap where it states there will be a cap at 4% but uncap it at 6%.
- Mr. Taylor interjects with the 2004 Fairmont Supreme court decision which states:

*Equally ambiguous is the very next sentence in the statute which states,*

*This purpose would be frustrated if police and firemen's pensions were permitted to significantly diminish over time due to the effects of inflation. Further, it is obvious that the Legislature's intent in enacting W.Va. Code § 8-22-26a is to obviate to some degree the effects of inflation due to the fact that the annual percentage increase in the supplemental pension benefit is tied to the consumer price index which is the most widely used measure of inflation. (See footnote 8) Accordingly, we hold that the Legislature's intent in enacting W.Va. Code § 8-22-26a(a) (1991) is to provide protection to police and firemen's pensions against erosion due to inflation.*

- Mr. Taylor states if the buying power is 4.7% over the course of years, we have reduced the buying power of the retiree.

- Mr. Slaughter states that when reading the language, he is inclined to go with Method 1 and if there are issues that arise, legislation will be needed to fix the language.

**Discussion from the Board, along with clarification from the board are as follows:**

**The board agrees with Methodology 1, the Year-by-Year Method.**

*No motion is needed.*

**C. P-Card Expenditures – September, October, and November 2022**

*Motion to approve the PCard Expenditures for September, October, and November 2022; Moved by Mr. Travis Blosser; Seconded by Mr. Craig Slaughter. Passed unanimously.*

**RESOLVED: P-Card Expenditures for September, October, and November 2022 are approved as presented.**

**D. Personnel**

1. Chief Financial Officer Update.

*Mr. Jeff Fleck Presenting*

The MPOB has made an offer to Mr. Matthew Pauley, who comes from the Higher Education Policy Commission. Mr. Pauley has accepted the offer and will begin Monday December 19, 2022.

**E. Proposed Legislation**

*Mr. Taylor presenting*

Mr. Taylor met with Senator Nelson, at his request. Mr. Nelson asked proposed legislation Mr. Taylor would bring to the Board. The four items discussed and agreed upon with Senator Nelson are as follows:

- 1) §8-33-4a and §8-33-4b- Pension Obligation Bonds (POBs). There are requirements, that the Oversight Board approve the Municipalities to sell POBs if the City's funded status is 40% or below. Mr. Taylor believes there needs to be rule making authority and emergency rule making authority on what the cities will be required to provide to the Board from an actuarial standpoint, to meet these criteria and timeframe criteria. When a municipality comes to the MPOB there is a timeframe for a response to each municipality.
- 2) A second area that the MPOB needs some Legislative changes is in the arena of "independent medical examinations" (IMEs) which are required when a police officer or firefighter files for a temporary or permanent disability. Prior to 2009 law states the local Pension boards had to send their members to WVU or Marshall to its medical school facilities. Mr. Taylor believes that members IMEs should be required to take place by WVU and Marshall School of Medicine, including Marshall Osteopathic school for exams.
- 3) Currently it appears a plan funded using the Alternative Funding Method (107% of the prior year's funding amount) can sell POBs but not close their pension fund. Mr. Taylor would like to see if there is interest in requiring any municipality which sells POBs to close the pension plan to new hires using the Optional Funding Methodology
- 4) Bolton has suggested municipalities using the Conservation Funding Methodology to fund plans be able to switch to the Optional Funding Methodology.

*Motion to authorize Mr. Taylor and staff to move forward with the Proposed 2022 Legislation session; Moved by Mr. Jeffrey Fleck; Seconded by Mr. Travis Blosser*

***Resolved: Legislative Proposed agenda has been approved as presented***

#### **F) Executive Director's Report**

*Mr. Taylor Presenting*

- Mr. Taylor has attended meetings and training with Municipalities. The training course Mr. Taylor was supposed to attend in December will be rescheduled in the Spring.
- The ARFP for a reviewing actuary will be completed by Mr. Taylor and Mr. Pauley.
- Remaining funds as of September 2021 – Around \$600,000 has not been drawn down, \$358,000 of that amount are for fully funded plans, leaving \$242,000 that hasn't been drawn down. Mr. Taylor will start sending the 30- and 60-days notices to the plans that haven't drawn down.
- Remaining funds as of September 2022 – Of the 18.4 million dollars that will be disbursed, over 7 million dollars have currently been disbursed, and since this report was uploaded another 2.5 million dollars have been disbursed as well.
- Quarterly fees, by the March 2023 Quarterly meeting, Mr. Taylor should have the completed fourth quarter quarterly fees.

Mr. Fleck adds that the Personnel committee will meet sometime before the March meeting for the required evaluation of the MPOB Director.

### **Adjournment**

Mr. Neddo calls for the motion to adjourn.

*Motion to adjourn; Moved by Mr. Travis Blosser; Seconded by Mr. Tom Pearcy: Passed*

**Resolved; meeting for December 22, 2022, of the MPOB is adjourned.**

A handwritten signature in black ink, appearing to read "Steve Neddo", is written over a horizontal line.

Steve Neddo (Chairman)

Minutes approved 4-3-23  
(date)

Referenced documents can be found in the Board Meeting Packet.

# AGENDA

## Municipal Pensions Oversight Board

### Meeting of the Board Members

September 22, 2022 – 1:00 P.M.

301 Eagle Mountain Road, Second Floor, Suite 251, Charleston, WV 25311

- I. Call to Order and Roll Call
- II. Approval of Minutes of Meeting on June 16, 2022
- III. Annual Election of a Secretary/Treasurer
- IV. Old Business
  - A. Legal
    1. Beckley Fire Department Pension Board v. The Municipal Pensions Oversight Board and Chairman Civil Action No. CC-41-2022-C-185
    2. Todd Lewis Taylor v. The City of Charleston, WV Policemen’s Pension and Relief Fund
    3. Paul Harrison v. the Charleston Firefighter’s Pension and Relief Fund and West Virginia Municipal Pensions Oversight Board, Civil Action No. 22-C-357.
  - B. Fairmont Fire Department DROP Application Approval
  - C. Compliance Review Updates
    1. Recalculations
      - a. Charleston Fire
      - b. Wheeling Police
      - c. Wheeling Fire
      - d. Dunbar Fire
- V. New Business
  - A. Draft FY2022 Independent Audit
  - B. Bolton Actuarial Report Valuations (AVR)
    1. AVR changes with Pension Obligation Bond funding
  - C. P-Card Expenditures – June, July, and August 2022
  - D. Personnel
    1. Chief Financial Officer Update
  - E. Executive Director’s Report
- VI. Public Comments
- VII. Adjournment

## **MUNICIPAL PENSIONS OVERSIGHT BOARD**

### **MINUTES OF MEETING**

**SEPTEMBER 22, 2022**

The Municipal Pensions Oversight Board (MPOB) met on September 22, 2022, at 1:00 PM. The location of the meeting was held at 301 Eagle Mountain Rd. Suite 251, Charleston WV 25311. Mr. Steve Neddo welcomed everyone and called the meeting to order. Mrs. Janet Warren called the roll.

#### **ATTENDEES**

##### **Board Members:**

Travis Blosser – Absent

Jeffrey Fleck – Present

David Lanham – Present

Sarah Long – Present

Jason Matthews, Vice Chairman – Present virtual

Steve Neddo – Chairman – Present

Michael Payne – Conference call

Tom Percy – Present virtual

Craig Slaughter – Present

##### **Staff:**

Janet Warren – Administrative Assistant - Present

Les Smith, Accountant – Present

Blair Taylor, Executive Director- Present

##### **Guest:**

Jim Ritchie- Senior Consulting Actuary, Bolton – Present

Jordan Mclane – Consulting Actuary, Bolton – Present virtual

Robert Adams –BrownEdwards

Anthony – BrownEdwards

**General Counsel:**

Anthony Eates – Deputy Attorney General – Present

**Minute taker:**

Janet Warren

**Approval of Minutes**

Minutes<sup>1</sup> for the MPOB meeting on June 16, 2022, were presented for approval. Mr. Neddo asked for a motion to approve the minutes.

*Motion: Motion to approve the minutes as presented; moved by Mr. David Lanham; Seconded by Mr. Craig Slaughter; Passed unanimously.*

**RESOLVED the minutes for the June 16, 2022, meeting, Municipal Oversight Board Meeting minutes were approved as presented.**

**New business:**

**A) Independent Audit – Draft**

Mr. Les Smith presenting. Mr. Smith introduces Mr. Robert Adams and Mr. Anthony Carpenter from BrownEdwards, including that MPOB has met the deadline for the independent audit draft of September 15, 2022.

Mr. Anthony Carpenter presenting – Audit is near completion and will meet the final deadline of October 15, 2022, stating they have two deliverables to discuss (letter and financial statement). First the letter of discussion, stating there were no issues, or complications, with the independent audit. Second the Financial Statement, one significant GASB accounting standard 87 effective this year, that covering Leases. However, the change to GASB 87 does not affect the MPOB as it has what is considered a short-term lease. The Audit Report has the same result as prior reports, as it is a clean report, a clean, unmodified audit report.

*Motion: Motion to accept the draft of the independent audit report; moved by Mr. Jeffrey Fleck; seconded by Mr. Craig Slaughter; Passed unanimously.*

**RESOLVED: The Draft of the independent audit report has been approved as presented.**

### **Annual Election of a Secretary/Treasurer.**

Mr. Steve Neddo states that the last CFO was the past Secretary/Treasurer, and a new CFO has not been hired.

*Motion: Motion to table the election of a Secretary/Treasurer until a new CFO is hired; Moved by Mr. Jeffrey Fleck; Seconded by Mr. David Lanham; Passed unanimously.*

**RESOLVED: The election of a Secretary/Treasurer is tabled until a new CFO is hired.**

### **Old Business:**

#### **A. Legal**

1) Beckley Fire Department Pension Board vs. MPOB Civil Action No. CC-41-2022- C – 185

Mr. Anthony Eates presenting. Mr. Eates has spoken to Mr. Joshua Miller, and both agree the case is presented with factual disputes. Both, Mr. Eates and Mr. Miller, have agreed that they need a documented agreement, which will lay out stipulated facts. Both lawyers and Mr. Taylor will have to agree to presenting that fact document to the court. Mr. Eates is hopeful to have some form of agreement, on some of the facts, between all parties by the next Board meeting.

2) Todd Lewis Taylor v. The City of South Charleston, WV Policemen's Pension and Relief fund – Judge Webster

- No update

3) Paul Harrison v. The Charleston Firefighter's Pension and Relief Fund and West Virginia Municipal Pensions Oversight Board, civil Action No. 22-C-357

- No update

#### **B. Fairmont Fire Department DROP Application Approval**

Mr. Jim Ritchie presenting. The Bolton analysis shows a slight gain to the plan. In looking at the plan, the conclusion is that it would be cheaper for the member to take the lower lump sum than it would be to take the higher benefit. Members, while in the DROP, continue to make contributions to the drop, but will not draw from those contributions which creates a slight savings.

Mr. Blair Taylor states that Fairmont has proposed a 5-year period. Fairmont is choosing a 3-year scenario, July 2022 to September 2025, also limiting the number of employees joining



to three current members per year, adding a fourth if the Chief wishes to join. During the proposed period, there are 15 eligible firefighters for the DROP.

Concern are as follows:

Mr. Jeffrey Fleck - Are they legally allowed to limit the number of members? Does the plan violate the Equal Protection Clause [of the U.S. Constitution]?

Mr. Steve Neddo - How are they are choosing which members are allowed to join the plan?

Mr. Jason Matthews – The city is deciding the number of members joining, and they are not allowing any additional members to join.

Total number of members this would affect would be around 15 members.

The board would like more clarification, on the legality of limiting the members allowed to join.

**Questions:**

Is Fairmont legally allowed to limit the number of members joining?

How are the members being chosen?

Mr. Blair Taylor and Mr. Fleck cite 8-22-25A:

**§8-22-25A. DEFERRED RETIREMENT OPTION PLANS; AUTHORIZATION; REQUIREMENTS; LIMITATIONS.**

(b)(1) The governing bodies of municipalities participating in policemen's and firemen's pension and relief funds pursuant to §8-22-16 through §8-22-28 of this code, are authorized to voluntarily offer DROPs. A participating municipality may design and establish a DROP to best meet the municipality's needs so long as the DROP complies with federal law, the requirements set forth in this section and be approved by the Municipal Pensions Oversight Board.

(2) Prior to approval by the Municipal Pensions Oversight Board, a municipality shall submit a proposed DROP to the board for analysis by the qualified actuary retained or employed by the board. The actuary shall examine the plan and, in light of the elements of the DROP and the actuarial projections of the impact of the DROP on the affected pension and relief fund, advise the board of the anticipated impact on the municipal pension and relief fund. The board shall seek to approve only those DROPs which, in the best judgment of the actuary, are designed to have no negative impact on the member's pension and relief fund. The submitting municipality shall reimburse the board for actuarial costs of analyzing the plan.

(c) To be eligible to enter a DROP, the member of the policemen's or firemen's pension and relief fund must be in active employment and an active member of his or her pension and relief fund for at least six months beyond attaining eligibility for regular retirement as provided in §8-22-25 of this code and have received a satisfactory performance evaluation within the prior 12 months....

***MOTION: Motion to table the request pending further clarification from Fairmont before a decision on approving the City of Fairmont's DROP application. Moved by Mr. Jeffrey Fleck; Seconded by David Lanham; Passed unanimously.***

## **C. Compliance Review Updates**

Mr. Blair Taylor presenting.

**Charleston Fire** – Recalculations are moving slowly. There are meetings, ongoing, with the staff of PERS to help with one of the concerns for firefighters who were previously employed as City paramedics who participated in the state’s PERS plan prior to participating in the Charleston Firemen’s Pension.

**Dunbar Fire** – MPOB ordered Dunbar to recalculate their Pension Plans, and with the help of Mr. Matthews, Dunbar is now moving forward with the recalculations. Dunbar have found old financial records that have been turned over to their CPAs, who are currently working on their recalculations.

**Mr. David Lanham excuses himself from the discussion of Wheeling Police and Wheeling Fire recalculations.**

**Wheeling Police and Wheeling Fire** – Mr. Blair Taylor has spoken to the Wheeling Police Pension Secretary, and states that the CPA firm, working on the recalculations, are nearing completion of the recalculations for both Wheeling Police, and Wheeling Fire.

*\*Mr. David Lanham returns*

### **New Business:**

#### **A) Draft FY2022 Independent Audit**

Covered at the beginning of the meeting and noted above.

#### **B) Bolton Actuarial Report Valuations (AVR)**

Mr. Jim Ritchie presenting.

Participant count is about the same, a small drop in the active count, as expected. Payees are up nominal. Returns from July 1, 2021 are good but will see a downward trend when the results from July 1, 2022 are completed next year. Conservations plans are evaluated on the 2022 year, they show the losses to date.

Accrued Liability is down about 4 million, smoothing method has been implemented. The Plan received big gains but are being smoothed in because known losses are coming. Actuary Value is up a little. Market Value is up a lot. Funded status increased. Unfunded liability was down. Contributions stayed relatively flat.

*Discussion:* Mr. Fleck raises the question: Does the employee, over 72, make the request the money or is it automatically funded? Mr. Taylor states that by law a member who did not

withdraw his/her money when they separated has to make a request and it applies without interest. Mr. Fleck questioned how the MPOB corresponds with the members that are nearing the age of 72, regarding their plan request. Mr. Taylor states that under this plan by law they must retire at age 65. When someone retires, their pension automatically begins if they have met the age of 50 and have a minimum of 20 years of service.

- *Mr. Taylor will implement training to the members of the plan that are nearing the age of retirement.*

Mr. Ritchie presenting. Discussions, questions, and answers on the Pension Obligation Bond funding issues, are as follows:

- 1) How should the funding be treated? Contribution or Transfer?
  - a. A deposit of funds from any POB sale will be treated as a Contribution in the FY in which the funds were deposited to the pension fund assets and will be applied towards the Normal Cost Contribution and any other required contributions.
- 2) When should the POBs be reflected for determining the discount rate?
  - a. The POBs will be reflected as a receivable once they are reported on an Annual Report from the pension fund.
- 3) When should the IMB investment be reflected for determining the discount rate?
  - a. IMB investment will be reflected in the AVR produced immediately after receiving notification through the submission of an Annual Report, even though the Annual Report is for the most recently complete FY while the AVR is for the period preceding the Annual Report FY.
- 4) When should the POBs Sold in 2022 be reflected for determining the amortization of the unfunded amount?
  - a. Will be included in the calculation of the required contribution for FY2024 but will not be included in the funded status as of 7-1-2022 AVR report.

7-1-2022 Valuation Reports will reflect investments with the IMB and as an Optional Funded plan, the Discount Rate will change to 7.0% for both plans. Bolton projects forward the assets based on the Annual Report provided for GASB purposes.

- Mr. Taylor sites Code 8-22-20, the law states that the Municipality is still mandated to make the normal cost, even if the plan is fully funded, regardless of the funding methodology.

### **C) P-Card Expenditure- June, July, and August 2022**

*Motion to approve the P-Card Expenditures for June, July, and August 2022; Moved by Mr. Jason Matthews; Seconded by Mr. Craig Slaughter; Passed unanimously.*

**RESOLVED P-Card expenditures for June, July, and August 2022 are approved as presented.**

### **D) Personnel**

- Hiring of the Chief financial Officer (CFO). Mr. Fleck presenting. Numerous interviews have been conducted. There will be an interview the following Tuesday with a new applicant.
- Introduction of newly hired Janet Warren, Administrative Assistant/Procurement Officer to the MPOB Board.

### **E) Executive Director's Report**

Mr. Taylor presenting. Official introduction of Mrs. Warren, Administrative Assistant, to the MPOB board.

Disability requests from Policemen's and Firemen's Pension plans

- 15 Total Request – None are questionable
- 10 Active Applicants
- 5 Inactive Applicants

Mr. Taylor continues to visit with City Pension Board Trustees, City Managers, and City Trustees. Visits and the questions from the Municipality include:

- Clarksburg- DROPS, POBs and Funding methodologies have been answered directly.
- Dunbar- Working with some file issues, both parties are working together, and those issues are being worked on.

Website has been updated with GASB and Actuarial Valuations from 2017 to current. Mr. Taylor and Mrs. Warren will attend Website training in October. Mr. Taylor has completed and attended Purchasing training.

## ARFP

The MPOB will put together the ARFP to present to the Board at its December Board Meeting for a reviewing actuary, required every 7 years.

- 2022 Laws and Rules of the Consolidated Public Retirement Board book have been sent to all Fire department and Police department, pension Secretaires (53 total).
- In the April 2022 board meeting, the Board requested Mr. Taylor hold Fiduciary training for his staff. Mr. Taylor request that be held until a full staff is hired so training can be completed with the staff at one time. Mr. Fleck invites the MPOB staff to attend his Fiduciary training that will be held on November 30, 2022.

## Adjournment

Mr. Neddo calls for the motion to adjourn.

*Motion to adjourn; Moved by Mr. Jeff Fleck; Seconded by Mr. Craig Slaughter; Passed unanimously.*

**Resolved, meeting for September 22, 2022, meeting of the MPOB is adjourned.**

A handwritten signature in black ink, appearing to read "Steve Neddo", written over a horizontal line.

Mr. Steve Neddo, Chairman

Minutes Approved 12-15-22 (date)

Referenced documents can be found in the Board Meeting Packet.

i MPOB Minutes- June 16, 2022

ii WV MPOB Preliminary 07/1/21 Valuation results

**AGENDA**  
**Municipal Pensions Oversight Board**  
**Meeting of the Board Members**

June 16, 2022 – 1:00 P.M.

301 Eagle Mountain Road, Second Floor, Suite 251, Charleston, WV 25311

- I. Call to Order and Roll Call
- II. Approval of Minutes of Meeting on March 17, 2022 and April 5, 2022
- III. Annual Election of a Secretary/Treasurer
- IV. Old Business
  - A. Legal
    - 1. Beckley Fire Department Pension Board v. The Municipal Pensions Oversight Board and (Chairman Stephen Needo) Civil Action No. CC-41-2022-C-185
    - 2. Todd Lewis Taylor v. The City of Charleston, WV Policemen’s Pension and Relief Fund
    - 3. Paul Harrison v. the Charleston Firefighter’s Pension and Relief Fund and West Virginia Municipal Pensions Oversight Board, Civil Action No. 22-C-357.
  - B. Legislation
    - 1. HB4756 – Pension Obligation Bond sale approvals if plans funded less than 40%
  - C. Compliance Review Updates
    - 1. Recalculations
      - a. Charleston Fire – the CPA firm is in the process of recalculating pensions.
      - b. Wheeling Police - monthly updates have been provided by the CPA firm doing the recalculations and they are close to completion.
      - c. Wheeling Fire – monthly updates have been provided by the CPA firm doing the recalculations and they are close to completion.
      - d. Dunbar Fire is using the same accounting firm that Dunbar Police used for their recalculations.
- V. New Business
  - A. Supplemental Benefits discussion re 4% cap on COLA
  - B. P-Card Expenditures – March, April and May 2022
  - C. Personnel
    - 1. Report from Executive Director
    - 2. Hiring of Chief Financial Officer pursuant to WV Code 8-22-18a(b)(5) and 8-22-18a(d) “The oversight board shall employ an executive director and other staff as needed and shall fix their duties and compensation.”
    - 3. Employee Handbook Revisions
  - D. Executive Director’s Report
- VI. Public Comments
- VII. Adjournment

# MUNICIPAL PENSIONS OVERSIGHT BOARD

## Minutes of Meeting

**June 16, 2022**

The Municipal Pensions Oversight Board (MPOB) met on July 16, 2022 at 1:00 PM at 301 Eagle Mountain Road, Suite 251, Charleston, West Virginia. Mr. Jason Matthews welcomed everyone and called the meeting to order. Mr. Les Smith called the roll.

### **ATTENDEES**

#### **Board Members:**

Steve Neddo - absent

Jason Matthews - present

Travis Blosser - present

Jeffrey Fleck- present

David Lanham - absent

Sarah Long - present

Michael Payne -Virtual

Tom Percy -present - virtual

Craig Slaughter -present

#### **Staff:**

Les Smith, Accountant - present

Blair Taylor, Executive Director - present

#### **Guest:**

Jim Ritchie - Senior Consulting Actuary, Bolton - present virtual

Jordan Mclane - Consulting Actuary, Bolton - present virtual

#### **General Counsel:**

Anthony Eates - Deputy Attorney General - present

#### **Minute taker:**

Les Smith

## **Approval of Minutes**

Minutes for the MPOB meetings on March 17, 2022, and April 5, 2022 were presented for approval. Mr. Jason Matthews asked for a motion to approve the minutes.

*Motion: Motion to approve the minutes as presented; Moved by Mr. Travis Blosser; Seconded by Mr. Craig Slaughter; Passed unanimously.*

**RESOLVED the minutes of the March 17, 2022, and April 5, 2022, Municipal Pensions Oversight Board meetings be approved as presented.**

Annual election of Secretary/Treasurer

● Mr. Jason Matthews suggested action could be postponed until the following meeting to allow for a full complement of staff to be hired.

*MOTION: Motion to move the annual election of a Secretary Treasurer to the next board meeting. Moved by Mr. Jeffery Fleck; Seconded by Mr. Travis Blosser. Passed unanimously*

**RESOLVED; the board will extend the selection of Secretary/Treasurer until the September Quarterly meeting.**

## **OLD BUSINESS:**

### **A: LEGAL**

Beckley Fire and Police pensions filed a complaint for declaratory judgment on June 7, 2022. Civil Action No. CC-41-2022- C - 185.

● MPOB served on June 10, 2022.

● Ms. Teresa Toriseva indicated in 2021, that she would be filing for compensatory damages. When Ms. Toriseva filed, but she did not seek compensatory damages, so there will be no coverage under the AIG policy. Ms. Toriseva filed for a declaratory judgment. Deputy Attorney General, Mr. Anthony Eates, will handle the claim.

● Mr. Anthony Eates stated that he and Mr. Blair Taylor will meet on Tuesday

June 21, 2022, to discuss moving forward on filing an answer to said claim. Mr. Eates will file an answer towards the end of June 2022.

Todd Lewis Taylor vs. The City of Charleston, West Virginia Policemen's Pension and Relief Fund.

● Still pending with Judge Webster

● Filed a notice for substitute of counsel

Paul Harrison v. The Charleston Firefighters Pension and Relief Fund and West Virginia Pensions Oversight Board. Civil Action No. 22 - C -357.



● Mr. Harrison refiled. Mr. Eates filed a motion to dismiss. Mr. Harrison's lawyer did not give a 30-day notice, Chapter 55. No response from the court on the motion of dismissal.

## **B: LEGISLATION**

HB4756 - Pension Obligation Bonds.

● HB4756 passed. Class I-III with less than 40% pension funding, permission will need to be granted from the Oversight Board (Chapter 8; Section 3). This will require the Oversight Board to create criteria for this process (8-33-4a).

a) Mr. Taylor indicated a discussion is needed to provide the correct information to the bond community and Municipalities on which cities that are not funded at 40%.

b) MPOB will need to educate cities on the normal cost payments, continuance obligation to the fully funded pension plan.

c) Certification will be needed from cities before release of State aid. Law now requires that payments be made to the bond trustee, instead of the pension trust (see HB4756 multiple sections of new Code passed in this bill).

● Mr. Ritchie indicates the law requires that the MPOB approve the bond sale, if the plan is under 40% funded, with certain tiers, it must be approved regardless of the 40% rule. Mr. Taylor asks for Mr. Eates to interpret the funding laws correctly and both will discuss on Tuesday, June 21, 2022, when they meet (8-33-4B). Mr. Blosser questions how that affects new hires, going into the plans. His concerns are for the cities where the bonds aren't closed. Mr. Taylor indicates when an alternative plan becomes funded, better than 75%, the city can change plan funding methodology to standard, which will not close the plan. But, at any time the city can choose to close the pension plan by choosing the optional methodology or the conservation methodology (not recommended). Moving from alternative to Standard is better than 75% funded, would leave the plan open but from a bond selling perspective, those funds that were 75% funded would need to be fully funded by 2031. Optional methodology resets the clock from 2031 to 2050. Mr. Blosser indicates that Municipalities, with the city budget and not consistently growing, leaving the plan open, and continuing in an Alternative funding method, without requiring the plan be moved to an actuality sound model. Mr. Taylor indicates that the cities will be coming to the MPOB in September, and the board will need to educate the cities. Mr. Slaughter suggests criteria on which bonds will be approved. MPOB will make sure the financial analysis is favorable and reasonable. After educating the cities, and the municipalities are favorable, then the board approves the bonds.

Mr. Percy indicated the MPOB will likely be required to call special meetings in order to meet the statutory requirements for the MPOB to provide approval or disapproval. MPOB only approves functions under statues. Any work done by the actuarial firm for a municipality trying to sell pension obligation bonds is the responsibility of the municipality.

## **C: Compliance Review Updates**

### **Dunbar Fire**

- Mr. Taylor presenting. Mr. Taylor along with the Vice Chairman had discussion with Dunbar Fire Pension Secretary. Dunbar fire is moving forward with using the same accounting firm that Dunbar police use for recalculations. Mr. Taylor recommends continuing the same path with Dunbar fire.
- Charleston Fire - Recalculations by a CPA firm continue.
- Wheeling Police - Recalculations by a CPA firm continue.
- Wheeling Fire - Recalculations by a CPA firm continue.

## **NEW BUSINESS**

### **Supplemental Benefits discussion on COLA.**

#### **Existing law (8-22-26a)**

- If any time after the Supplemental benefit becomes applicable, total accumulative percentage allowable amount is 75% less than the total accumulative percentage increase, in the consumer price index over the same period of time, the 4% limitations shall be inapplicable until the supplemental benefit equals 75% of the increase in the consumer price index.

Mr. Taylor discusses what happens if there is an extended period of COLA above 4%. Each individual will be different depending on their hiring date. Mr. Taylor suggests a calculation needs to be created for Pension Secretaries that will calculate COLA's each year and for each individual. This calculation will need to be run year to year, so that the Pensioner does not go below the 75% of what CPI has been issued.

Mr. Matthews suggests Bolton address the cost to build a COLA calculator, and give an estimate of the cost in the September Quarterly meeting. Mr. Taylor recommended pushing to the December meeting. MPOB agrees.

### **PCard Expenditures**

*MOTION: Motion to approve the PCard expenditures as presented. Moved by Travis Blosser; Seconded by Craig Slaughter: Passed unanimously.*

**RESOLVED that the Pcard expenditures for March 2022, April 2022, and May 2022 are approved as presented.**

### **Personnel**

C. 3. Mr. Taylor presenting. Changes have been made to the Employee Handbook based on a motion passed during the April 5, 2022 meeting. The work week has been changed from an 8-hour day with an unpaid lunch, to an 8-hour day with a half hour paid lunch. Employee Handbook revision also updated to conform to current state and federal laws.

*MOTION: Motion to approve the revised Employee Handbook. Moved by Jeffrey Fleck; Seconded by Travis Blosser: Passed unanimously.*

**RESOLVED that the Employee Handbook revisions as of June 16, 2022 are approved as presented.**

### **Executive Session**

Mr. Jason Matthews recommended the board go into executive session as provided for in the Open Meetings Act, under W.Va. §6-9A-4(b)(2)(A) to discuss personnel matters listed as C. 1. and C. 2.

*MOTION: Moved by Mr. Travis Blosser, Seconded by Mr. Craig Slaughter, for the Municipal Pensions Oversight Board to go into Executive Session pursuant to W.Va. §6-9A-4(b)(2)(A) to discuss personnel matters.*

**RESOLVED, that the Municipal Pensions Oversight Board go into executive session as provided for in WV.a. §6-9A-4(b)(2)(A) to discuss personnel matters.**

All guests, Mr. Les Smith, Mr. Jim Ritchie and Mr. Jordan McClane left during the executive session.

Mr. Matthews called the meeting back to the regular order of business stating no votes had been taken during the executive session.

### **Hiring of Chief financial officer:**

Mr. Fleck stated the MPOB is still looking to hire a Chief financial officer. Mr. Fleck stated he and Ms. Sarah Long have been assisting Mr. Taylor in the interviewing process and that four candidates have been interviewed. The process is ongoing.

Mr. Taylor stated he has hired Janet Warren as the Administrative Assistant/ Procurement officer at a starting salary of \$55,003.

### **Executive Director's Report**

Presented by Mr. Taylor. Disabilities are up this year, several active. The director is working with the Pensions Secretaries. Required information is due by the end of July. Less than 1 million dollars is left to be paid out between now and Feb. 28, 2023.

Chief Matthew has received a request from the Parkersburg Police Pension Board and Trustees. Their board disabled an officer in 2007. It was deemed non-duty. In 2021 the officer requested

that it be made to a duty related disability. No statutory authority for change. Resolution is to stay non-duty.

### **Change order for Bolton**

Mr. Taylor states he has not gotten the contract rewritten yet, but he will address.

### **ARFP - Reviewing actuary**

Mr. Taylor states that this will need to be done this fall. It is required once every 7 years. Training will take place for the Procurement officer, and the ARFP will be done in the fall.

### **Investment fee**

Mr. Fleck inquired about the investment fees. Dunbar Fire, Martinsburg Fire, and Moundsville Fire are five times higher compared to the municipalities that are using the investment management board. Mr. Taylor is aware and advises each local board, during training, that they should put their investments out for bid. It is a local board decision to select their investment advisor.

### **Pension Schedule**

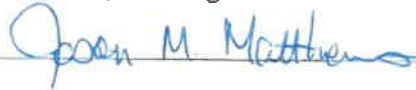
Mr. Taylor presenting. As of June 10, 2022, disbursements are 18.2 million dollars (92%). 1.5 million remaining for this cycle of the 19.8 million. \$358,000 are to fully funded plans that will reallocate in September 2022. 1.2 million that have not been drawn down. Since June 10, clients have put in to draw down around another \$300,000.

### **ADJOURNMENT**

Mr. Matthews calls for a motion to adjourn.

*Motion: Motion to adjourn. Moved by Travis Blosser; seconded by Mr. Craig Slaughter; Passed unanimously.*

**RESOLVED, that the June 16, 2022, meeting of the MPOB is adjourned.**



Jason Matthews, Vice-Chairman

Minutes approved 9/22/2022

(date)

Referenced documents can be found in the Board Meeting Packet.

i MPOB Minutes March 17, 2022

ii MPOB Minutes -April 5, 2022

# **AGENDA**

## **Municipal Pensions Oversight Board**

### **Emergency Meeting of the Board Members**

April 5, 2022 – 1:00 P.M.

301 Eagle Mountain Road, Second Floor, Suite 251, Charleston, WV 25311

- I. Call to Order and Roll Call
- II. Executive Session
  - A. Personnel Matter
- III. Personnel Committee Report and Recommendations
- IV. Adjournment

# **MUNICIPAL PENSIONS OVERSIGHT BOARD**

## **Minutes of Meeting**

**April 5, 2022**

The Municipal Pensions Oversight Board (MPOB) met on April 5, 2022, at 1:00 p.m. at 301 Eagle Mountain Road, Suite 251, Charleston, West Virginia. The Chair, Mr. Neddo welcomed everyone and called the meeting to order, noting that a quorum was present. Mrs. Miller called the roll.

### **ATTENDEES**

#### **Board Members:**

Travis Blosser – present  
Jeffrey Fleck – present  
David Lanham-absent  
Sarah Long – present  
Jason Matthews – present virtually  
Stephen Neddo – present  
Michael Payne – present conference call  
Tom Percy – present virtually  
Craig Slaughter – present

#### **Staff:**

LaRuth Miller, Administrative Assistant – present  
Michelle Painter, Chief Financial Officer – present  
Les Smith, Accountant – present  
Blair Taylor, Executive Director – present

#### **General Counsel:**

Anthony Eates Deputy Attorney General – present conference call

#### **Minute Taker:**

LaRuth Miller

### **Executive Session**

Mr. Steve Neddo presented that at the last Board meeting March 17, 2022, no decision was made after entering executive session. Mr. Neddo has created a Personnel Committee composing of Jeff Fleck as Chairman, Sarah Long, Tom Percy, and Steve Neddo. This committee will be a standing committee. Mr. Neddo recommended the board go into executive session to discuss personnel matters.

*MOTION: Moved by Mr. Craig Slaughter, seconded by Mr. Travis Blosser, for the Municipal Pensions Oversight Board to go into executive session to discuss personnel matters.*

**RESOLVED, that the Municipal Pensions Oversight Board go into executive session to discuss personnel matters.**

All guests, Mr, Blair Taylor, Mr. Les Smith, Mrs. Michelle Painter and Mrs. LaRuth Miller left during the executive session.

Mr. Neddo called the meeting back to regular order stating no decisions or motions were made.

**Personnel Committee Report and Recommendations**

Mr. Jeffrey Fleck presented. The Personnel Committee met on March 30, 2022 and have recommendations to present.

- Management staff participate in Division of Personnel Supervisor/Management Training.
- The Executive Director will receive an annual Performance Review.
- The Municipal Pensions Oversight Board and Staff receive Fiduciary Training that will be performed by an Attorney.

*MOTION: Moved by Mr. Jeffrey Fleck, seconded by Mr. Michael Payne that recommendations presented by the Personnel Committee be implemented.*

**RESOLVED, that the recommendations presented by the Personnel Committee be implemented.**

*MOTION: Moved by Mr. Jeffrey Fleck, seconded by Mr. Travis Blosser to change the Municipal Pensions Oversight Board work schedule from a 40-hour week with a 30-minute unpaid lunch to a 40-hour week with a 30-minute paid lunch effective April 23, 2022.*

**RESOLVED, that the Municipal Pensions Oversight Board change the Municipal Pensions Oversight Board work schedule from a 40-hour week with a 30-minute unpaid lunch to a 40-hour week with a 30-minute paid lunch effective April 23, 2022.**

**Announcements**

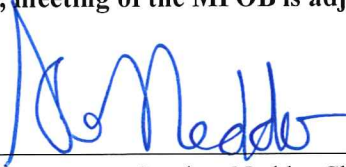
- Mrs. Michelle Painter stated that she has accepted a new position with the WV Lottery.

**ADJOURNMENT**

Mr. Neddo called for a motion to adjourn:

*MOTION: Motion to adjourn. Moved by Mr. Craig Slaughter; seconded by Mr. Travis Blosser; Passed unanimously:*

**RESOLVED, that the April 5, 2022, meeting of the MPOB is adjourned.**



Stephen Neddo, Chairman

Minutes approved

7/5/22

(date)

**AGENDA**  
**Municipal Pensions Oversight Board**  
**Meeting of the Board Members**

March 17, 2022 – 1:00 P.M.

301 Eagle Mountain Road, Second Floor, Suite 251, Charleston, WV 25311

- I. Call to Order and Roll Call
- II. Approval of Minutes of Meeting on December 16, 2021
- III. Old Business
  - A. Legal - Beckley Firemen’s and Beckley Policemen’s Pension notice of intent to sue
    - 1. Attorney General’s Opinion Letter
    - 2. Todd Lewis Taylor vs. The City of Charleston, WV Policemen’s Pension and Relief Fund
    - 3. Terence F Brown vs. WV Municipal Pensions Oversight Board, Blair Taylor, City of Weirton & Harold E. Miller
  - B. Legislation
    - 1. CS HB4430 – definition of base salary and overtime and other remuneration
    - 2. CS SB443 – Change to allow retirees to vote in trustee elections
    - 3. CS SB445 – Requires trustees to hold in abeyance non-duty pensions if retirant fails to provide tax return (effective May 19, 2022)
    - 4. HB4462 – Change of DROP reports to once every 5 years
    - 5. HB4433 – Protection of pensions from execution, except for Qualified Domestic Relations Orders
  - C. Compliance Review Updates
    - 1. Submitted Plans of Action Addressing Compliance Review Recommendations
      - a) Charleston Firemen’s Pension, Parkersburg Policemen’s Pension, Parkersburg Firemen’s Pension, Morgantown Firemen’s Pension, Elkins Policemen’s Pension, Dunbar Firemen’s Pension
    - 2. Plans of Action Extension Requests
    - 3. Plan of Action Not Submitted
    - 4. Recalculations
      - a. City of St. Albans - Council passed a resolution to continue Fire overpayments
      - b. Wheeling Police - requested payroll data to review recalculations for those retired after July 2017.
      - c. Wheeling Fire - requested payroll data to review recalculations for those retired after July 2017.
      - d. Dunbar Police - recalculations have been completed and are being reviewed.
      - e. Weirton Police – recalculations and review complete.
- IV. New Business
  - A. Approval of City of Clarksburg DROP
  - B. P-Card Expenditures – December 2021, January and February 2022
  - C. Personnel
  - D. Executive Director’s Report
- V. Public Comments
- VI. Adjournment



# MUNICIPAL PENSIONS OVERSIGHT BOARD

## Minutes of Meeting

March 17, 2022

The Municipal Pensions Oversight Board (MPOB) met on March 17, 2022, at 1:00 p.m. at 301 Eagle Mountain Road, Suite 251, Charleston, West Virginia. The Chair, Mr. Neddo welcomed everyone and called the meeting to order, noting that a quorum was present. Mrs. Miller called the roll.

### ATTENDEES

#### Board Members:

Travis Blosser – absent  
Jeffrey Fleck – present  
David Lanham-absent  
Sarah Long – Conference call  
Jason Matthews – present  
Stephen Neddo – present  
Michael Payne – Conference call  
Tom Percy – present  
Craig Slaughter – present

#### Staff:

LaRuth Miller, Administrative Assistant – present  
Michelle Painter, Chief Financial Officer – present  
Les Smith, Accountant – present  
Blair Taylor, Executive Director – present

#### General Counsel:

Anthony Eates Deputy Attorney General – present

#### Guests:

Jordan McClane, Consulting Actuary, Bolton – present virtually  
Jim Ritchie, Senior Consulting Actuary, Bolton – present

#### Minute Taker:

LaRuth Miller

#### Approval of Minutes<sup>i</sup>

Minutes for the MPOB meeting on December 16, 2021, were presented for approval. Mr. Neddo asked for a motion to approve the minutes.

*MOTION: Motion to approve the minutes as presented. Moved by Mr. Jason Matthews;  
Seconded by Mr. Jeffrey Fleck; Passed unanimously:*

**RESOLVED, that the minutes of the December 16, 2021, Municipal Pensions Oversight Board meeting be approved as presented.**

## **OLD BUSINESS**

### **Legal**

Beckley Firemen's and Beckley Policemen's Pension notice of intent to sue.

- MPOB has not received any formal communication between Beckley's Police and Fire attorney and MPOB BRIM attorney Lou Ann Cyrus.
- Blair Taylor gave an overview of the Attorney General's Opinion Letter.

Todd Lewis Taylor vs. The City of Charleston, West Virginia Policemen's Pension and Relief Fund.

- Anthony Eates indicated there has not been any movement on the Todd Lewis Taylor lawsuit. Mr. Eates filed a notice of substitution of counsel.

Terrence F Brown vs WV Municipal Pensions Oversight Board, Blair Taylor, City of Weirton & Harold E. Miller.

- Blair Taylor informed the Board that there have not been any updates on the Terrence F. Brown case from BRIM.

### **Legislation**

Mr. Taylor stated all 5 bills presented to legislature have been passed. Bill abstracts have been sent to the governor.

- CS HB4430 is the definition of base salary and overtime and other remuneration
- CS SB443 is the change to allow retirees of closed plans to vote in the election of trustees. It has been sent to the governor's office but not been signed
- CS SB445 is signed and will go in effect May 19, 2022. It requires trustees of the Municipal Firemen's Pension plans and Municipal Policemen's Pension plans requires to hold in abeyance nonduty disability pensions if the retirant fails to submit a tax return by April 15.
- HB4462 allows the DROP evaluations to occur every 5 years instead of 1 year.
- HB4433 protects pensions of Municipal Firemen's and Municipal Policemen's retirees, survivors, and beneficiaries from being garnished, bankruptcies and insolvency except for Qualified Domestic Relations.

### **Compliance Review Updates**

- Mr. Smith presented. Charleston Firemen's Pension plan contracted an accounting firm (Suttle and Stalnaker) to recalculate their pensions that was due in December 2021 but has been extended to after tax season. Elkins Police submitted their plan of action, and the compliance review is complete.

- Mrs. Painter presented. Parkersburg Policemen's Pension Plan submitted their plan of action, and the compliance review is complete. MPOB sent a letter in October asking to Parkersburg Firemen's Pension Plan asking them to provide a payroll code to track differences in base pay and other remuneration and there has not been a response and asked Mr. Matthew's if he had any updates. Mr. Matthews stated there were payroll codes updated to differentiate between base pay and remuneration. Morgantown Firemen's Police and Fire are paying pension out of their payroll account instead of checking account that has the plans name on it and a tax id number. City of Morgantown provided a letter asking follow up questions and detailing how they are paying out of their payroll account. Mrs. Painter recommended that Morgantown Pension plans open a checking account with the name of their plan and a tax id number attached to it. Dunbar Firemen's Pension was written up for not including the final payout of unused leave in their calculations. Dunbar Firemen's Pension response to continue using the opinion of their Attorney John Dascoli that they do not have to include the final payout of unused leave. Mr. Matthews has spoken with Dunbar Firemen's Pension secretary and the plan wants to use the payouts in their calculations but have concerns that previous retirees will want to come back and sue for unused leave that they did not receive. Mr. Taylor was given the approval to allow Dunbar Firemen's Pension three months to resolve the calculations to avoid litigation.
- Plans of Action Extensions Requested
  - Wheeling Policemen's Pension and Relief Fund has been granted an additional extension to end June 30, 2022, and Wheeling Firemen's Pension and Relief Fund be granted additional extension to end June 30, 2022, if needed.

*MOTION: Motion to approve Wheeling Policemen's Pension and Relief Fund be granted an additional extension to end June 30, 2022, and Wheeling Firemen's Pension and Relief Fund be granted additional extension to end June 30, 2022, if needed. Moved by Mr. Jeffrey Fleck; seconded by Mr. Craig Slaughter; passed unanimously:*

**RESOLVED, that the Wheeling Policemen's Pension and Relief Fund be granted an additional extension to end June 30, 2022, and the Wheeling Firemen's Pension and Relief Fund be granted an additional extension to end June 30, 2022, if needed.**

- Plans of Action Not Submitted
  - None all have been submitted
- Recalculations
  - City of St Albans is complete. Council passed a resolution to continue overpayments for members of the Firemen's Pension Plan. Mrs. Painter will provide the information to Bolton to include the numbers in the next evaluation due to St. Albans using the Alternative Method.
  - Wheeling Police requested payroll data to review calculations for those retired after July 2017.
  - Wheeling Fire- Mrs. Painter is reviewing the payroll data and calculations for those
  - Dunbar Police calculations are complete. Mrs. Painter is requesting more information to see how they classified base pay.
  - Weirton Police recalculations and review is complete.

## NEW BUSINESS

- Approval of City of Clarksburg DROP. Mr. Ritchie gave a summary about City of Clarksburg DROP.

*MOTION: Motion to approve City of Clarksburg DROP. Moved by Mr. Jason Matthews; Seconded by Mr. Tom Percy.*

### **RESOLVED. that City of Clarksburg DROP is approved.**

- PCard Expenditures

*MOTION: Motion to approve the PCard expenditures as presented. Moved by Mr. Jason Matthews; Seconded by Mr. Craig Slaughter.*

### **RESOLVED, that the PCard expenditures for December 2021, January, and February 2022.**

- **Executive Director's Report**

Mr. Blair Taylor presented. The Law requires MPOB one examination for any member returning from active military duty. The firefighter or police officer must be seen by a doctor for the city and one from the MPOB. There has been 3 requests Beckley Police, South Charleston Police and South Charleston Fire. MPOB does not review the report from the doctors, we just pay for the service. MPOB provides the information to the city, and they make the decision to put the employee back to work. MPOB has a contract with Physical Exams Inc. to provide examinations. Vienna Policemen's Pension has settled their overpayments. The pensioner will pay back their overpayments over a period of 24 months starting January 2022 ending December 2023. 16 Compliance Reviews will be started in 2022 and complete within 3 years. The staff will start working on an ARFQ for audit services for a cost of approximately 10,000 to 15,000 per year. Mr. Taylor will start working with Bolton to create new calculations. The Board has accepted their cost projections of \$47,500. Bolton is going to begin process of Project 2 of the Survivor Calculations issues and project a cost of \$65,000 to complete. ARFP will be submitted in early summer or early fall that may cost \$100,000. LaRuth Miller completed website training and uploaded documents to the website. Mr. Taylor received information from the Office of Technology that will allow MPOB to continue to store data on premise, use QuickBooks and use Excel spreadsheets with pivot tables via Microsoft Office.

- **Personnel**

Mr. Steve Neddo recommended the board go into executive session as provided for in the Open Meetings Act, under W.Va. §6-9A-4(b)(2)(A) to discuss personnel matters.

*MOTION: Moved by Mr. Jeffrey Fleck, Seconded by Mr. Craig Slaughter, for the Municipal Pensions Oversight Board to go into Executive Session pursuant to W.Va. §6-9A-4(b)(2)(A) to discuss personnel matters.*

### **RESOLVED, that the Municipal Pensions Oversight Board go into executive session as provided for in WV.a. §6-9A-4(b)(2)(A) to discuss personnel matters.**

All guests, Mr. Blair Taylor, Mr. Les Smith, Mrs. Michelle Painter, Mrs. LaRuth Miller, Mr. Jim Ritchie, Mr. Jordan McClane left during the executive session.

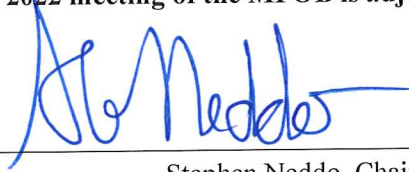
Mr. Neddo called the meeting back to the regular order of business stating no votes had been taken during executive session.

**ADJOURNMENT**

Mr. Neddo called for a motion to adjourn:

*MOTION: Motion to adjourn. Moved by Mr. Tom Percy; Seconded by Mr. Craig Slaughter;  
Passed unanimously:*

**RESOLVED, that the March 17, 2022 meeting of the MPOB is adjourned.**



\_\_\_\_\_  
Stephen Neddo, Chairman

Minutes approved 7/5/22  
(date)

Referenced documents can be found in the Board Meeting Packet.  
i MPOB Minutes – December 16, 2021