

**AGENDA**  
**Municipal Pensions Oversight Board**  
**Meeting of the Board Members**  
March 16, 2023 – 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 15, 2022
- III. 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.
    - 4. Terence F. Brown v. W.V. Municipal Pensions Oversight Board, Blair Taylor, City of Weirton, and Harold Miller (amended to City of Weirton and The Board of Trustees of the Policemen's Pension or Relief Fund of Weirton), Civil Action No. CC-05-2021-C-14
  - B. Compliance Review Updates
    - 1. Recalculations
      - a. Charleston Fire
      - b. Dunbar Fire
      - c. Wheeling Police
      - d. Wheeling Fire
  - C. Legislation
    - 1. SB475 – effective (7-1-23) Types of independent medical examinations
    - 2. HB3148 – effective 90 days from passage (6-4-23)
    - 3. HB3244 – effective from passage (3-6-23) Legislative Rules for §8-33-4b
    - 4. HB3364 – effective from passage (3-3-23) Closure of certain pension funds
- IV. New Business
  - A. ARFP for Actuarial Audit Services
    - 1. Approval of Technical Form and Cost Form
    - 2. Selection of ARFP Evaluation Committee
  - B. P-Card Expenditures – December 2022, January, and February 2023
  - C. Personnel
    - 1. Legislative Across-the-Board Increase, \$2,300
  - D. Executive Director's Report
    - 1. Weirton Policemen's Pension Fund Trustee Question on Qualified Military Service
- V. Public Comments
- VI. Adjournment

**MUNICIPAL PENSIONS OVERSIGHT BOARD**  
**MINUTES OF MEETING**  
**March 16, 2023**

The Municipal Pensions Oversight Board (MPOB) met on March 16, 2023, 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 — Absent

Jason Matthews, Vice Chairman — Present virtual

Steve Neddo — Chairman — Present

Michael Payne — Conference call

Tom Pearcy — 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

**General Counsel:**

Anthony Eates, Deputy Attorney General - Present Virtual

**Minute taker:**

Janet Warren

**Approval of Minutes**

Minutes' for the MPOB meeting on December 22, 2022, were presented for approval. Mr. Neddo asked for a motion to approve the minutes.

*Motion to approve the minutes as presented; moved by Mr. Jeff Fleck; Seconded by Mr. Travis Blosser; Passed unanimously.*

**RESOLVED** the minutes for the December 22, 2022, meeting, Municipal Oversight Board Meeting minutes were approved as presented.

**Old Business:**

**A) Legal**

Mr. Anthony Eates presenting.

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

*Mr. Anthony Eates presenting.*

- MPOB's plan is to submit agreed to facts to the judge, next will come a briefing schedule. MPOB was awaiting proposed stipulations from the complainants. Those were received and Mr. Eates has sent a revision. The revision was sent to Mr. Taylor and Mr. Eates states MPOB will have something sent back to Complainants counsel. Stipulations should be filed back to the courts within the next few weeks.

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**

4. Terrence F Brown vs WV Municipal Pensions Oversight Board, Blair Taylor, City of Weirton & Harold E. Miller (amended to City of Weirton), Civil Action No. CC-05-2021-C-14.

*Mr. Taylor Presenting:*

- **Mr. Brown has sent deposition requests to the Weirton Pension Board (not original party to the case). MPOB is awaiting movement on the case.**

## B. Compliance Review Updates

### 1. Recalculations

*Blair Presenting:*

- a.) **Charleston Fire** – Contracted with Suttle and Stalnaker to do their Recalculations.
- b.) **Dunbar Fire** – Contracted with Summerfield, but there are some ongoing issues. With the help of Mr. Neddo, Dunbar is working on collecting their financial statements to comply with the request of MPOB. In doing so, they can complete their FY2022 annual report, and the Actuary can complete their Actuarial Valuation Report. Once completed, MPOB can work with Dunbar Pension Board to continue with the recalculation's for Dunbar Fire. The auditing firm Ferro and Associates is continuing the Audit on Dunbar Fire and are starting on 2022 year. Any findings will be reported.
- c.) **Wheeling Police** – Wheeling Police have completed the recalculations. They have provided a letter to the MPOB.
  - **Results:** There were numerous overpayments and numerous underpayments that occurred. MPOB has asked for nine of those along with payroll data for those Pensioners. Mr. Smith and Mr. Taylor are working on the recalculations of those members.
  - **Phone Meeting:** There was a phone meeting with Wheeling Police Attorney, Mr. Bob Harman, Chairman for Wheeling Police, Mr. Taylor, and Mr. Eates. The Pension plan states that the city has agreed to make the overpayments back to the plan that were overpaid. The Pension plan has already voted to stop the overpayments and put them back where they should be actually paid per the retirement calculation plus supplemental benefits. For underpayments, the city wants to bring them to the correct payments, paying them fully and correctly, going forward.
  - **Hiring of an Accounting firm:** They have hired Kozicki Hughes and Tickerhoof as their Accounting firm to review and to calculate their pensions going forward.
  - **Mr. Taylor asks the Board to clarify:** The city states they would like to make the payments back to the plan, the statue states that the retirees are required to make those payments. Mr. Taylor asks Mr. Anthony Eates for clarification. The City of Wheeling states that because Pension Obligations Bonds were sold, the overpayments were calculated in the calculations of the POB sales.
- Mr. Eates states that the overpayments can be made by the city or pensioners. There should be no issue where the payment comes from, providing the payments are made in full.
  - **Mr. Ritchie in regards to the overpayments and underpayments:** The overpayments were valued at the higher amount and the underpayments were calculated at the lower amounts. Mr. Ritchies states that the underpayments were not valued. Mr. Ritchie states that they did pay the overpayments because that was valued in the POB, but the underpayments were not valued in the POB sale.
  - **MPOB ask Bolton to calculate (using the over/underpayments provided by the external accountant) the future liability based on the corrected pensions. This will be compared to the total assets to determine if a future liability exists that would**

**need to be paid by the municipality:** Request Bolton calculate the overpayments or underpayments to determine the amounts to make it whole. Bolton agrees but states they need the correct amounts that the pensioners should be paid. They will compare it to the date that they did the POBs and will determine if the liability is greater or lesser of the amount. If it is greater than the liability, they will owe money and if it is lesser than the liability, they will not owe money. Bolton will need to know when the pensions were changed, both the over-payments and the under-payments.

- **Timeline:** Mr. Taylor states the MPOB will complete the recalculations of Wheeling Police within a month.

d.) **Wheeling Fire-** The Firemen's Pension Board of Trustees intends to follow Wheeling Policemen's Board of Trustees actions.

## C. Legislation

*Mr. Taylor presenting:*

- 1) **SB475-** Effective July 1, 2023- Independent Medical Exams. Allows virtual exam, in person exams, or record reviews.
- 2) **HB3148-** Effective 90 days from passage June 4, 2023- Closes the ability of municipalities to choose Conservations plans (effective July 1, 2023). The bill creates a new funding methodology called the Optional-II methodology. Which creates a new 40-year funding plan, starting July 1, 2023- July 1, 2063.
- 3) **HB3244-** Effective from passage, March 6, 2023 – Legislative Rule making authority (emergency rule making authority). Mr. Taylor asks for Mr. Pearcy and Mr. Eates help on making of the rules and guidelines.
- 4) **HB3364 –** Effective from passage March 3, 2023 – Closure of certain pension funds. If you chose to sale POBs you must close your plans, then choosing Optional I or Optional II plans.

Mr. Taylor reports on HB3153, which isn't a MPOB bill, but it would affect the way MPOB allocates funds, if passed. Mr. Taylor fixed the language, and it was applied to the HB and the SB. Although it did not pass, MPOB need to watch any Legislative movement on the bill to make sure the allocations from MPOB section (WV Code §33-3-14d) are not removed or rewritten.

## New Business

### A) ARFP for Actuarial Services

*Blair presenting*

- 1) Approval of ARFP technical form and evaluation criteria – Mr. Neddo asked for a Motion to approve the technical form.

*Motion to approve the ARFP technical form as presented; Motioned by Mr. Travis Blosser; Seconded by Mr. Craig Slaughter; Passed unanimously.*

***Resolved: The ARFP technical form and evaluation criteria has been approved, as presented.***

- 2) Selection of ARFP Evaluation Committee- A Board member is required to sit on the Evaluation Committee and asks for members to volunteer.

Members for the Evaluation Committee include:

Mr. Travis Blosser- Board Member  
Mr. Craig Slaughter - Board Member  
Mr. Jeff Fleck - Chair  
Mr. Matt Pauley - MPOB CFO  
Mr. Blair Taylor - MPOB Director

**B) P-Card Expenditures**

*Mr. Matt Pauley presenting.*

P-Card Expenditures for December 2022, January 2023, and February 2023 are presented to the board.

Mr. Neddo asks for a motion to approve the P-Card expenditures.

*Motion to approve the P-card expenditures for Dec. 2022- Feb. 2023. Motion by Mr. Travis Blosser; Seconded by Mr. Jason Matthews; Passed unanimously.*

**C) Personnel**

- 1) Legislative across- the- board increase \$2,300.00.

*Mr. Blair Taylor presenting.*

Legislation passed an across-the-board increase of \$2,300.00. When the Legislature appropriates money, they don't appropriate general revenue appropriations to MPOB. This Board, as a special revenue account, must vote to approve or deny any across-the-board increases. MPOB uses the Dept. of Administration for our payroll. MPOB will need to provide information to the Dept. on the across-the-board raises, if applicable.

*Motion to approve the Across-the-board increase for all MPOB employees, effective July 1, 2023; Motion by Mr. Jeff Fleck; Seconded by Mr. Craig Slaughter; Passed unanimously.*

**D) Executive Director's Report**

*Mr. Blair Taylor presenting*

Currently there are 12 total requests for CY2022 and CY2023

- 11 Active Applications
  - 5 Temporary Disability Request
    - 1 Request Completed
    - 4 Request Pending
  - 6 Permanent Disability Request

- 0 Request Completed
  - 6 Request Pending
  - 0 Disability Request Withdrawn
- 1 Inactive Application
  - 1 Temporary Disability claim (back to work or withdrawn)
- Active Military Examination Request Completed
  - 1 for this reporting period
- Mr. Taylor has not visited Municipalities because of the Legislation session.
- There are no current DROP requests.
- Mrs. Janet Warren has completed the required 10 hours of Procurement training required but will continue to take training as available. Mr. Taylor will continue with training, throughout the end of the year.
- Mr. Taylor will start visiting all 31 Municipal Pension Cities over the next 8 months to train about Legislation that has passed this year as well as Legislation that had passed last year.
- Fiduciary Training will be set up for the MPOB and Staff, to be done as part of the Quarterly Board meeting.
- COLA Calculator – Previous COLA calculator done by GRS did not account for COLAs above 4.0%. That calculator was taken off the Website. Mrs. Warren and staff created a COLA calculator that will work Per Code. It was sent to the Actuary and approved by Bolton. The new COLA calculator will be released on the Website.
- MPOB has provided Bolton with a draft for a change order to work on Phase II of the Survivor Benefits Calculations. Once approved, Bolton will recalculate all Survivor's calculations.
- Weirton Policemen's Pension request MPOB opinion on a Military duty issue. They have a member that was called up state side for military duty for the National Guard. Code 8-22-7 states that duty must be continuous, chronological year of service, to count towards duty.
  - Weirton is asking for clarification. Asking if the time could be included in the employees' 20 years of employment service. The Weirton Pension board has an external attorney.
  - Mr. Neddo recommends that Weirton asks their Attorney to interpret the law. MPOB has previously responded to each Pension Fund to ask for their attorney to clarify the statute.
  - The MPOB decides the appropriate response to Weirton would be recommending Weirton's Policemen's Pension Board of Trustee's hired attorney clarify the code for the issue at hand.

Mr. Taylor ends his director's report.

#### **Return to Personnel**

Mr. Fleck asks that the Personal Committee meet on Tuesday, March 28, 2023, at 11:00 AM.

#### **Public Comments**

- None

#### **Adjournment**

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

**Resolved; Meeting for the MPOB on March 16, 2023, is adjourned.**



Steve Neddo (Chairman)

Minutes approved 6-15-23  
(date)

Referenced documents can be found in the Board Meeting Packet.

**AGENDA**  
**Municipal Pensions Oversight Board**  
**Meeting of the Board Members**  
June 15, 2023 – 2:00 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 16, 2023
- III. 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.
    - 4. Terence F. Brown v. W.V. Municipal Pensions Oversight Board, Blair Taylor, City of Weirton, and Harold Miller (amended to City of Weirton and The Board of Trustees of the Policemen's Pension or Relief Fund of Weirton), Civil Action No. CC-05-2021-C-14
  - B. Compliance Review Updates
    - 1. Recalculations
      - a. Charleston Fire
      - b. Dunbar Fire
      - c. Dunbar Police
      - d. Wheeling Police
      - e. Wheeling Fire
  - C. ARFP for Actuarial Audit Services
    - 1. Update of Technical and Schedule of Events
  - D. Experience Study for the period July 1, 2017, through June 30, 2020
- IV. New Business
  - A. P-Card Expenditures – March, April, and May 2023
  - B. Personnel
    - 1. Report on Personnel Subcommittee meetings since March 16, 2023
  - C. Executive Director's Report
- V. Public Comments
- VI. Adjournment

**MUNICIPAL PENSIONS OVERSIGHT BOARD  
MINUTES OF MEETING  
June 15, 2023**

The Municipal Pensions Oversight Board (MPOB) met on June 15, 2023, at 2:00 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. Mr. Blair Taylor calls the roll.

**I. Roll Call - Attendees:**

**Board Members:**

Travis Blosser — Present

Jeffrey Fleck — Present

David Lanham — Present

Sarah Long — Present

Jason Matthews, Vice Chairman — Present virtual

Steve Neddo — Chairman — Present

Michael Payne — Conference call

Tom Pearcy — Present Virtual

Craig Slaughter— Present

**Staff:**

Janet Warren — Administrative Assistant - Absent

Les Smith, Accountant — Present

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 Virtual

**Minute taker:**

Matthew Pauley

*Mr. Neddo States that MPOB does have a quorum.*

**II. Approval of Minutes**

Minutes' for the MPOB meeting on March 16, 2023, were presented for approval.

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

***RESOLVED the minutes for the March 16, 2023, meeting, Municipal Oversight Board Meeting minutes were approved as presented.***

**III. Old Business:**

**A) Legal**

*Mr. Anthony Eates presenting.*

1. Beckley Fire Department Pension Board vs. MPOB Civil Action No. CC-41-2022- C – 185.
  - MPOB received the draft stipulations to submit to the judge from the Plaintiff's counsel. In mid-May, those revisions were reviewed and the MPOB sent revised stipulations back to the Plaintiff's counsel. MPOB is awaiting a response from Plaintiff's counsel.
2. Todd Lewis Taylor v. The City of Charleston, WV Policemen's Pension and Relief fund -Judge Webster.
  - Charleston Policemen's Pension counsel, Mr. Eates, and Mr. T.L. Taylor's counsel have been working to schedule depositions for the case. Depositions were originally set to start on June 16, 2023, but will be rescheduled for some time in late July or early August 2023.
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.
  - Mr. Eates expects that case to be dismissed due to lack of activity. The Circuit Court's office sent out a notice on June 2, 2023, an intent to dismiss notice.
4. Terrence F Brown vs WV Municipal Pensions Oversight Board, Blair Taylor, City of Weirton & Harold E. Miller (amended to City of Weirton), Civil Action No. CC-05-2021-C-14.

*Mr. B. Taylor Presenting:*

- No official report or notification on the case, but Mr. Taylor spoke with the payroll clerk for the City of Weirton, the clerk stated that the retiree was currently being paid.

*Mr. Neddo states the Board will move out of order to item IV. B Personnel on the Agenda.*

#### **IV. New Business**

##### **B. Personnel**

1. Report on Personnel Subcommittee meetings since March 16, 2023

*Mr. Fleck Presenting:*

**Mr. Fleck makes a motion to 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, Mr. Jim Ritchie, Mr. Jordan McClane left during the executive session.

Mr. Neddo calls the meeting back to order and asks Mr. Fleck to report on the Personnel session.

*Mr. Fleck Presenting:*

- On June 15, 2023, the board met for a Personnel meeting on the evaluation of the Executive Director of the Municipal Pension Oversight board, Mr. Blair Taylor. Mr. Fleck asks that the board accept the evaluation of Mr. Taylor with a satisfactory evaluation.

*Motion to approve the evaluation Personnel Committee report on the evaluation of the Executive Director; moved by Mr. Jeff Fleck; Seconded by Mr. Travis Blosser; Passed unanimously.*

***RESOLVED the Personnel Committee's satisfactory evaluation for the MPOB Executive Director has been accepted and approved.***

- The Personnel Committee also discussed the job description and duties of the Administrative Assistant/ Procurement Officer, Janet Warren, and the additional duties that Mrs. Warren has undertaken. Those duties would warrant additional pay.

Mr. Fleck makes a motion to update Mrs. Warren's job description to Administrative Specialist/Procurement Officer and Data Analyst with a pay increase to \$59,000 a year starting July 29, 2023.

*MOTION: Moved by Mr. Jeffrey Fleck, seconded by Mr. Travis Blosser, to change the job description from Administrative Assistant/ Procurement officer to Administrative Assistant/Procurement officer and Data Analyst with an increase in pay.*

***RESOLVED, that the Personnel Committee changed the job description and increased pay for the Administrative Assistant/Procurement Officer and Data Analyst has been accepted and approved.***

*Mr. Neddo recognizes and thanks the Personnel Committee for their work reviewing the Director and his staff.*

### **III. Old Business:**

#### **B. Compliance Review Updates**

*Mr. Les Smith Presenting:*

a.) **Charleston Fire** – Recalculations are underway by the accounting firm Suttle and Stalnaker.

*Mr. Blair Taylor Presenting:*

b.) **Dunbar Fire** – Dunbar fire was waiting until the Dunbar Police reviews were completed. Sommerville & Company will be doing their recalculations. Mayor Scott Elliot has been instrumental in the movement of both Dunbar Fire and Dunbar Police since taking office.

c.) **Dunbar Police** – Reviews have been completed. Sommerville & Company reviewed their calculations. When the review was done, Sommerville failed to add their final pay to the calculations of the retirees. Mrs. Warren, Mr. Taylor, and Mr. Smith added those calculations into the MPOB review. Our numbers matched Sommerville's data until we added the last pay amount, omitted by Sommerville. Summary of Calculations include:

- **Three of the members** - Final pay was not included but should have been included. Those members have been notified of the amount owed back to the pension plan, the city has been notified of the normal cost owed back to the plan. The city has agreed to make that normal cost percentage (make up), as well as the interest. The members that owe back, the members are going to pay their fees and the city is responsible for paying the interest payment because it was a city error.
- **Underpayments** – There were numerous underpayments owed to the member. Those payments have been approved in the meeting minutes, of the Dunbar Policemen's Pension Fund for repayment.

*Mr. Lanham excuses himself while MPOB discusses Wheeling Police and Wheeling Fire.*

Mr. Les Smith Presenting:

- d.) **Wheeling Police**– Wheeling Police calculations are complete. MPOB pulled random retirees from Wheeling Police and pulled data in detail, along with support documentation to randomly check the Accounting Firms calculations. MPOB agrees with those calculations and considers those calculations completed.
- e.) **Wheeling Fire** – MPOB is awaiting documents for Wheeling fire. Once received, the MPOB will pull random retirees and start the process of pulling the data, in detail, to compare it with Ms. Tickerhoff's results on the Wheeling Fire calculations.

*Mr. Jason Matthew raises a question.*

Mr. Matthew's asks if there are any other city's that still need to be reviewed. Mr. Taylor states that we have around 10 plans that MPOB has not reviewed. Last week, Mr. Taylor asked Mr. Smith to review 3 of those smaller plans. Mr. Smith will be asking for information in July to start working on those plans. There are still some Mid/Major plans that need to be reviewed, such as Clarksburg Police and Fire, and Weirton Police and Fire. MPOB was waiting for a CFO to be hired. Although Mr. Matt Pauley is on board, he has been working on providing data to the internal auditor and will continue to do so into July. In the Fall Mr. Pauley will start working on some of the cities as well.

#### **C. ARFP for Actuarial Audit Services**

*Mr. Blair Taylor Presenting*

1. Update of Technical and Schedule of Events- MPOB rules state that the board must approve the final document. Mr. Taylor spoke to the chairman of the RFP Committee, Mr. Jeff Fleck, on the dates of schedule of events.
  - Issuing date: 07-27-2023
  - Presented by 09-14-2023
  - Presentations after 09-14-2023
  - Estimated award date by 11-1-23

Actuarial audits will be done on the AVR's (Actuary Valuation Reports) that will be completed this fall in the month of September. Once the contract is awarded, the winning bid will conform to the following timeline:

- Report presented to board in the June 2024 Quarterly meeting
- The final report will be completed by June 30, 2024 – that allows enough time for the Actuaries to complete any suggested changes in the upcoming fall Actuarial Valuation Reports.

MPOB is in the 5<sup>th</sup> year of the Bolton Actuary contract. We have two (1 year) renewals. MPOB expects to renew the contract for both terms. In between the first and second renewal MPOB will put a bid out for new Actuary services for another 5-7-year period.

*MOTION: Moved by Mr. Jeffrey Fleck, seconded by Mr. David Lanham, to approve the ARFP for Actuarial Audit Services as presented.*

***RESOLVED, that the ARFP for Auditing services has been approved as presented.***

**D. Experience Study for the period July 1, 2017, through June 30, 2020**

*Mr. Jim Ritchie Presenting:*

- Mr. Ritchie refers to the Experience study Presentation, presented to MPOB.
- Mr. Ritchie states there were little changes made by the experience study.

Analyzed experience from 07/01/2017 – 06/30/2020 \*only capturing 3-4 months of the pandemic.\*

For this experience study, Bolton states that they break up the assumptions into 3 categories:

- 1) Demographic assumptions (mortalities, termination, retirement)
- 2) Economic assumptions (return on assets, inflation, salary increase)
- 3) Actuarial methods

The prior Actuary used the same assumptions for retirement and terminations for police and fire. Bolton finds that assumptions between Police and Fire differ and recommended that they use different assumptions, which they implemented in this Experience study.

➤ **Economic Assumptions:**

- **Economic assumptions and inflation:** Recently inflation has been high, it was dipping down before, around 2.25%. Bolton states rate will stay padded at 2.50%.
- **Premium tax increase assumption:** Based on inflation, will stay at 2.50%
- **Cost of living:** Based on CPI. CAP is reflected in future COLAs along with the impact of the CAP (worth around 5 basis points) so will reduce the assumption from 2.5% to 2.45%
- **Investment return assumption:** no change
- **New hire:** Used only for Bolton projections, it does not impact the evaluation, just used for comparison of protections. That will be left at 3.5%.
- **Admin expenses:** Looks at prior experience - no change.

➤ **Demographic Assumptions:**

- **Mortality:** Leaving the base table alone – Bolton uses the table which is part of the public sector mortality 2010 (based on the mortality of 2010) and Bolton adjusts that forward using the improvement scale (MP2021 scale). Because of the Pandemic there was not an MP2022 published, so Bolton used the MP2021 scale.

- **Retirement Assumption:** Police - Increased some rates a little earlier at ages 50, 57-59. Fire - decreased some rates at age 57-59.
- **Termination:** Police and fire- Increased rates at younger ages
- **Disability:** Bolton made a big change in the last experience study, increasing the rates by 50%. This experience study differs quite a bit in disabilities so it will increase at 25%.
- **Salary Scale:** No Change
- **Marriage assumptions:** No Change

➤ **Actuarial Cost Methods:**

- **Actuarial Methods:** No changes

➤ **Bolton -Summary of Experience Study:**

- Left inflation the same (looking historically at COLA over 5, 10, 15, 20, 25, 30, 35 years). Imposing CAP from 4.1%-5.3%, over history how much the inflation would be lowered. In the first few years it was about 16 basis points, by year 35 it was 5 basis points. On average the assumption was reduced by 5 basis points.
- Retirement: **Retirees for Police**- Expected (70) Actual (84), increasing the retirement assumption at an earlier age, by trend to (77). **Retirees for Fire** – Expected (80) Actual (71), decreasing retirement (77).
- Termination – Increased termination assumption at earlier ages to reflect history of termination for both Police and Fire. **Police terminations:** Expecting (112) Actual (128). **Fire terminations:** Expecting (44) Actual (69).
- Disability- Current Assumption lower than prior experience.

➤ **Bolton Recommended Assumptions Maintaining:**

- Inflation – Historical 5 years it has gone up, but 10 years it is still at 2.5% , year 15 it is at 2.32%. Looking at historical published data rates that include expectation such as Federal Reserve at 10 year break-even is at 2.3%, Philadelphia Fed is at 2.36%.
- No Change in the Investment Return Assumption, keeping it at 7.0%. It is based on where the IMB is currently.
- Updated Mortality Assumption, using a generational technic: There are 2 parts of mortality assumption. First is the base table and the second is the projections scale. The Base study that Bolton used is called the public sector 2010, then second, Bolton uses the projection scale to project those base tables forward. Mortality rates in WV seem to be higher than the national average, but no adjustments were made, but would be open to adjusting that data in the future.

➤ Mr. Slaughter asks how much higher is the Mortality rates in WV than National average?

- Per Bolton: In 2021 WV has the worst mortality rate of all 50 states (54 of the 55 counties have life expectancy below national average).
- Bolton used the Public Sector 2010 – below median which is slightly higher than the standard table.

- No changes on Percent Marriage
- No change on Premium tax increase
- No change on Admin expenses
- No change on Actuary methods

➤ **Impacts on the results:**

Slight change due to the higher termination at younger ages causing a slight gain.

- Mr. Lanham asks the question about COVID not being reflected in this study. Asking if it will be reflected in the next actuarial experience study or is it considered an outlier? Bolton states that will be a determination from the Subcommittee with the next study, to determine what statistics will be used. COVID had more of an impact on retirement and terminations than it did on mortality.

*MOTION: Moved by Mr. Travis Blosser; Seconded by David Lanham, to approve the Experience Study.*

***RESOLVED: Experience Study provided by Bolton Actuaries has been presented and approved.***

**IV. New business**

**A. P-Card Expenditures- March, April, and May 2023**

*Mr. Matthew Pauley presenting*

Mr. Pauley presents the P-Card Expenditures for the Months of March, April, and May 2023.

*MOTION: Moved by Mr. Craig Slaughter; Seconded by Mr. Travis Blosser, Motion to approve the P-Card Expenditures for months March, April, and May 2023*

***RESOLVED: P-Card Expenditures for March, April, and May 2023 have been approved as presented.***

**C. Executive Director Report**

*Mr. Blair Taylor presenting.*

- Mr. Taylor presents the Directors report to the board. Mr. Taylor states that he has spoken to multiple Municipalities with questions on pension funds and has met with multiple City Mayors and City Managers.
- MPOB staff traveled to Williamson and met with the new City Clerk and Finance Director, helping with COLA issues. Williamson has not been issuing COLAs for several years. So, with the help of the MPOB Williamson has been recalculated and has provided them with that information, for correction.

- Drop Application's: Active - 0 (South Charleston fire is expressing interest).
- Change order for Bolton contract to work on survivor benefit calculations is completed and approved by the AG's office as to form, which will start after Bolton completes the Actuarial Study.
- September 2023 Allocations will be 21.80 million, a 17.1% increase from September 2022, previous from that was a 5.4% decrease. MPOB expenses have been averaging between \$550,000 - \$600,000. In CY22 MPOB operations cost was about 2.5%.
- Mr. Taylor attended the Legislative interim for April and May, working with the Counsel, VFD & EMS Committee on what was HB3153. All parties agree with an agreed-to concept of the Bill.
- Bond Communities asked for AVR's for Parkersburg Police and Fire, and Huntington Police and Fire. All are funded above 40%.
- Mr. Taylor requests help and direction from the Board on writing the Legislative rule making authority, with Municipalities that are funded less than 40% and the review of the Municipality bond sales. Mr. Taylor needs directions regarding the writing of the rule, along with what direction the Board would like to implement in the Legislative rule. Mr. Taylor states that the MPOB does have emergency rule-making authority, so that can be invoked, if needed. June 28, 2023, is the deadline for the proposed rules, that deadline will not be met, this year.
- MPOB received a letter from the Legislative Auditor's Office, Mr. Allred, on Wednesday June 14, 2023. The letter is asking for the MPOB to provide all payroll related information for all Charleston Police officers who are participants in the city of Charleston's Pension and relief fund for CY2017-Present. Mr. Taylor has spoken to Mr. Anthony Eates and Mr. Eates agrees that MPOB should comply with the request. However, the MPOB does not have Calendar year information, or the type of information that the Legislative Auditor's office is asking for, regarding payroll data. MPOB will provide the office with all the information that has been provided to the Oversight Board regarding Charleston police department. That information will be by fiscal year, of actual salaries for FY 2017-2022. MPOB does not have data for FY2023 and will not have that data for another year.
- Pension payment schedule is included but since 06/01/2023 MPOB has paid an additional \$1.5 million more since that form was updated. As of June 15, 2023, for the September 2022 allocations, MPOB has paid out 93.87% of the requests, on par year-to-year. Fully funded plans have increased to about \$445,000.00 which will be reallocated this coming September.

**Mr. Taylor asks if there are any questions.**

- Mr. Travis Blosser asks what direction the Board needs to take in helping with the Legislative rule-making process.

*MPOB begins discussion on Mr. Blosser's question:*

Mr. Taylor responds that he does not need an agreement at this meeting but needs to have direction regarding how to complete the legislative rule process. Help with formulating the plans to write the rules is needed to review the process of approving or disapproving the sale of POBs when applicable. Mr. Neddo asks Mr. Pearcy to interject. Mr. Pearcy hasn't drafted legislative rules and agrees with Mr. Taylor that MPOB won't meet the timeline of June 28, 2023.

Mr. Pearcy states he can give guidance to the rule and agrees that a plan needs to be implemented soon.

Mr. Taylor states that we have one Municipality that has sold POBs for both its Police Pension and Fire Pension. MPOB was not required to review that sale. The first Actuary study that will occur after the sale of those bonds will be issued this fall. MPOB will find out then if there are gains or losses in those plans and actuarial losses will need to be built into any payments that the city will need to make up to those plans. Mr. Taylor believes that will give additional guidance once that study is complete. Mr. Taylor asks what the criteria should be when agreeing to the selling of POBs.

Mr. Neddo asks if Mr. Pearcy can talk to his bond people in his firm, the MPOB can get a plan together on what steps we should be looking for, regarding criteria. The Board will work with Mr. Taylor, then get with Bolton when the data information is available.

Mr. Ritchie offers to help with ideas on what the Board should be looking at regarding the making of the rules, such as projection status, and what that status looks like going forward. Also, look at sensitivity if you have a down market, what impact would that have on that Municipality.

Mr. Pearcy states that does not think they expect MPOB to evaluate, he is willing to help but he is not sure that his firm can help with the criteria of the rules.

Mr. Lanham asks if the Cities are using the retirement plans assets for the bond sale for money to do other things for the city? What are they doing with the Bond sale proceeds?

Mr. Taylor answers: "The proceeds of the bond sale must be provided to the pension fund to fully fund them as of that point in time. The assets that the cities are pledging are generally buildings that the cities own because it is done through the city building commissions." The City's building commissions is the only entity to issue the bonds.

Mr. Lanham states the only key to the bond sale is if they (the city) have the cash flow to service the bonds.

*Discussion concludes.*

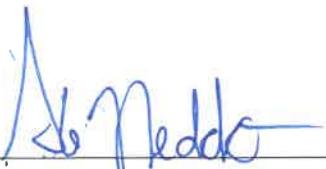
## **V. Public Comments**

- None

**VI. Adjournment**

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

**Resolved; Meeting for the MPOB on June 15, 2023, is adjourned.**



Steve Neddo (Chairman)

Minutes approved 9-21-23  
(date)

Referenced documents can be found in the Board Meeting Packet.

**AGENDA**  
**Municipal Pensions Oversight Board**  
**Meeting of the Board Members**  
September 21, 2023 – 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 15, 2023
- III. 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. – Dismissed. Subsequent notice received 7-24-23 intent to refile.
    - 4. Terence F. Brown v. W.V. Municipal Pensions Oversight Board, Blair Taylor, City of Weirton, and Harold Miller (amended to City of Weirton and The Board of Trustees of the Policemen's Pension or Relief Fund of Weirton), Civil Action No. CC-05-2021-C-14
  - B. Compliance Review Updates
    - 1. Recalculations
      - a. Charleston Fire
      - b. Dunbar Fire
      - c. Wheeling Fire
    - 2. Reviews started July 2023
      - a. Grafton Police and Fire, Welch Police and Westover Police
  - C. ARFP for Actuarial Audit Services
    - 1. Number of Bidders
    - 2. ARFP Evaluation Committee
- IV. New Business
  - A. Draft FY2023 Independent Audit
  - B. Bolton Actuarial Valuation Reports (AVR) Preliminary Results
    - 1. Wheeling Police POB assessment – no new fees
  - C. P-Card Expenditures – June, July, and August 2023
  - D. Executive Director's Report
- V. Public Comments
- VI. Adjournment

**MUNICIPAL PENSIONS OVERSIGHT BOARD**  
**MINUTES OF MEETING**  
**September 21, 2023**

The Municipal Pensions Oversight Board (MPOB) met on September 21, 2023, 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. Janet Warren calls the Roll.

**I. Roll Call - Attendees:**

**Board Members:**

Travis Blosser — Absent

Jeffrey Fleck — Present

David Lanham — Absent

Sarah Long — Present

Jason Matthews, Vice Chairman — Present virtual

Steve Neddo — Chairman — Present

Michael Payne — Conference call

Tom Pearcy — Present

Craig Slaughter— Absent

**Staff:**

Janet Warren — Administrative Assistant - Present

Les Smith, Accountant — Present

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

Anthony Carpenter – Brown Edwards

**General Counsel:**

Anthony Eates, Deputy Attorney General – Present Virtual

**Minute taker:**

Janet Warren

**Mr. Neddo States that MPOB does have a quorum.**

## **II. Approval of Minutes**

Minutes' for the MPOB meeting on June 15,2023, were presented for approval.

*Motion to approve the minutes as presented; moved by Mr. Jeff Fleck; Seconded by Mr. Jason Matthews. Passed unanimously.*

***RESOLVED the minutes for the June 15, 2023, meeting, Municipal Oversight Board Meeting minutes were approved as presented.***

*Mr. Neddo moves the draft FY2023 Independent Audit to the next order of business.*

## **IV. New Business**

### **A. Draft FY2023 Independent Audit**

*Mr. Matt Pauley presents and introduces Mr. Anthony Carpenter, Director of Brown Edwards, to present the draft independent audit to the Municipal Pensions Oversight Board.*

*Mr. Anthony Carpenter presenting to the Board:*

- Drafts were submitted on time
- Final Audit will be issued over the next few days, on time

**Deliverable results are as follows:**

- **Auditor communications to management and Government:**
  - > No new accounting policies adopted or changed throughout the year (GASB 96 was implemented but the Board did not have any IT subscription arrangements in scope. It was evaluated but had no impact on the scope.
- **Loss of definition:**
  - > Nonrelevant
  - Brown Edwards notes there were no difficulties in performing the Audit.
  - No corrected or uncorrected misstatements identified.
  - No disagreements with Management
  - No independent audits with any other Audits as it relates to accounting matters

**Financial Statements are as follows:**

- Audit opinion - Unmodified opinion
  - > Basic financial statements presented fairly in all material respects
- Required Supplementary Information – Managements discussion on Analysis (Pension and OPEB related schedules)
  - > Brown Edwards does not express an opinion on the Supplementary information (standard)

- Schedule of Statutory commitments - Browns opinion: Presented fairly, in relation to the basic financial statements.

There have been no major changes since last year. No new significant types of transactions. No changes in the disclosures.

Mr. Carpenter notes the last two pages of the report are the on the governing auditing standards report.

**Key takeaways on the Government Audit Standard Report were as follows:**

- No material weakness identified during the Audit
- Brown Edwards disclosed no instances of non-compliance or other matters that are required to be reported by Government Audit Standards.

Results are a clean Government Audit Standard report and a clean unmodified report on standards of financial statements.

Mr. Carpenter asks if there are any questions regarding the 2023 Independent Audit.

- Ms. Sarah Long thanks Mr. Matthew Pauley and Brown Edwards for their hard work on the independent audit and asks for a Motion to accept the draft 2023 Independent Audit report.

*Motion to approve the minutes as presented; moved by Ms. Sarah Long; Seconded by Mr. Jeffrey Fleck. Passed unanimously.*

***RESOLVED the draft 2023 Independent Audit performed by Brown Edwards were approved as submitted.***

### **III. Old Business:**

#### **A) Legal**

*Mr. Anthony Eates presenting.*

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

- MPOB is continuing to wait for Beckley fire to address the draft stipulations that were sent, to come and an agreement to bring to the judge.

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

- Mr. Taylor and Mr. Eates attended 5 depositions over a two-day period, the end of July, and the first week of August 2023 of current and retired Charleston police officers that are witness to the case.
- The City of Charleston will be taking depositions (no schedule yet reported to Mr. Eates).
- 

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

- Mr. Harrison first filed the suit incorrectly, that suit was dismissed. He refiled and did not give a 30-day notice, that suit was dismissed. He was subsequently given 30 days' notice in July 2023 that he intends to refile. To Mr. Eates knowledge, Mr. Harrison has not refiled.

4. Terrence F Brown vs WV Municipal Pensions Oversight Board, Blair Taylor, City of Weirton & Harold E. Miller (amended to City of Weirton), Civil Action No. CC-05-2021-C-14.

*Mr. Taylor presenting*

- City has been released from the suit
- Current Pension Board has filed for dismissal (both the City and Board have pointed back to the Oversight board, currently not in the suit. MPOB insurance attorneys continue to monitor the case, just in case the MPOB is brought back in on the case or if the case gets refiled.
- Member's pension is currently being paid

## B. Compliance Review Updates

*Mr. Blair Taylor presenting:*

### 1. Recalculations

- a.) **Charleston Fire** – Recalculations are continuing through Suttle and Stalnaker.
- b.) **Dunbar Fire** – Sommerville & Co. are working on the recalculations. Mr. Taylor is having difficulties getting the pension secretary for Dunbar Fire. Mr. Taylor request Mr. Jason Matthews to reach out to the pension secretary.
- c.) **Wheeling Fire** – MPOB have received the CPA's recalculations. MPOB picked ten retirees' to review. Those recalculations consist of non-duty disability, a QRDO, survivor benefit retiree, Drop 1, Drop 2 and regular retirees, for recalculations. Mr. Smith is finished with all the recalculations, and Mr. Taylor is going over them as well. Discussions with Wheeling Fire's CPA, Aimee Tickerhoof is ongoing. The MPOB needs and has requested more data on two of the recalculations. For the QDRO recalculation, MPOB was given a draft QDRO. Mr. Taylor has requested a signed copy of the QDRO. For the Non-duty disability, MPOB has requested tax returns, for COLA calculations. Recalculations for those two cannot continue until that information is provided by Wheeling fire. Mr. Smith, Mr. Taylor, and Mrs. Warren, Data Analyst, have reviewed the recalculations. MPOB have released two of those recalculations back to the CPA, agreeing with their recalculations. Mr. Taylor hopes to have the final documents and will be able to report finalization of Wheeling Fire recalculations in the December 2023 Quarterly Meeting.

### 2. Reviews started July 2023

*Mr. Matthew Pauley presenting*

- a) **MPOB has started reviews for Grafton Police and Grafton Fire, Welch Police, and Westover Police.**
  - **Welch** – Material has been submitted. Mr. Pauley is working through the material

- **Westover**- Submitted material with a format less convenient. Mr. Pauley is currently working through the material.
- **Grafton Fire and Grafton Police** – MPOB hasn't received material for either Grafton Fire or Grafton Police. Mr. Pauley has reached out to them on numerous occasions, and will continue to do so, accordingly.

Mr. Taylor states that the MPOB will work on larger plans that have not been done yet, such as Clarksburg Police and Clarksburg Fire, Fairmont Police and Fire. Beckley started but because of the lawsuit, their compliance reviews have not been completed.

#### C. ARFP for Actuarial Audit Services

*The Actuaries, Mr. Jim Ritchie, and Mr. Jordan McClane, leave the meeting.*

*Mr. Fleck presenting:*

- MPOB had eight bidders for the ARFP for actuarial auditing services
- Mr. Fleck will schedule an evaluation committee meeting
- Vendors will be evaluated on technical scores, MPOB doesn't know the cost, and it will not be known until after the technical evaluations have been completed
- Committee members include Mr. Jeff Fleck (Chair), Mr. Travis Blosser, Mr. Craig Slaughter, Mr. Les Smith, and Mr. Blair Taylor which were selected at the March 2023 Board Meeting
- Committee will use scoring sheets, also making sure the Vendors have met the mandatory requirements
- MPOB will need to have a special Board meeting, before the next quarterly meeting, to approve the contract (can be virtual)

*Mr. Pearcy asks if this is a term contract*

Mr. Blair Taylor gives clarification on the AFRP, (reviewal of MPOB actuaries, Bolton), doing full replications of each of the plans that use the various funding methodologies (Standard, Optional, Conservation, Alternative, and Optional II, if any exist)

- Audit must be completed and presented at the June 2024 Quarterly Board Meeting
- This audit is required once every 7 years
- The technical submissions and scoring sheet have been sent to each of the committee members (available for review)
- Presentations are a part of the technical scores
- After technical scoring, and presentations, cost will be opened and added to the technical scores, giving MPOB a final score for awarding the contract

#### IV. New business

*Mr. Jim Ritchie and Mr. Jordan McClane rejoin the meeting*

#### B. Bolton Actuarial Valuation Reports (AVR) Preliminary Results

*Mr. Jim Ritchie presenting*

## 1. Participant Counts

- Active participants accounts: 31 Optional Plans, 3 Conservation Plans – The city of Charleston is moving from Conservation to Optional I, fully funding by 2046. The city had a tax fund on the side (38 million) that wasn't included in the asset value. Those will be reflected in the contributions status but aren't reflected in the funding status yet. Active counts are down because those accounts are frozen.
- Retiree and deferred members are up slightly
- Survivors and disabled members are down
- Total participant members are down around 40 members

## 2. Funding Status

- Timing was successful in implementing the smoothing method (year 3 of smoothing method)
- Because of the smoothing method, contributions to the cities, in aggregate, have gone down
- Liabilities are down that is because a lot of the plans are Optional, the active members have dropped, and total counts have dropped down
- The Actual Values of Assets (AVA) Smooth Method – Up about 30 million, while the market value is down 60 million
- The Market value does not reflect the POB funding (Wheeling) or the Charleston Tax fund – that will show next year
- Funding percentage using the AVA had a steady increase 31% July 1, 2020, 34% July 1, 2021, and 35% July 1, 2022, while the market value went from 30% July 1, 2020. 38% July 1, 2021, to 35% July 1, 2022

## 3. Estimated Contributions

- City Contributions were down because premium tax allocations were up this year.

Mr. Ritchie notes that there is an update to actuarial standard of practice no. 4. (Best practices, recommendations, and disclosures) on reports and developing assumptions. There will be two main updates that will reflect the reports because of the updates, reflective after February 2023. Current reports are reflective as of July 1, 2022. The updates for standards will include:

- **Low default risk measure**
  - An example of a low default risk measure would be if using a Pension plan as a series of payments, it acts like a bond. If you were going to fund the pension plan with a bond you would get a bond portfolio where it had a zero-coupon bond or a bond that had some maturity, payments could be matched to the bond portfolio, while not completely devoid of risk, but being low risk while funding the pension plan. The interest rates and liabilities move together as the market liabilities moves together
- **Actuarial determine contribution**
  - Bolton already shows this determination because MPOB uses different funding policies

Mr. Fleck asks Mr. Ritchie, Bolton, if there are amortization dates on various plans? Mr. Ritchie states when Bolton completed the previous experience study, layered dates were used, but Bolton has the original periods on Option I, which has about 26.5 years left when switching from Alternative. If coming from Standard Methodology, there are around 8 years on the original base. All the new layers are amortized over the next 15 years except plan changes. Plan changes are over 5 years. Most plans have 4 or 5 basis layers in this evaluation. Mr. Taylor adds that statutorily any fund using Standard Method has to be fully funded June 30, 2031, Optional date would be June 30, 2050, Conservation Method (Municipalities are no longer allowed to change to Conservation), is 35 years after Municipalities made the change to the Conservation funding plan, Optional II date would be June 30, 2063. The only plans that would qualify for Optional II are those plans that are currently in Alternative or Conservation Plans. Municipalities that are in the Conservation Plans can choose to go into Optional I or Optional II. Mr. Taylor notes that the plans that are woefully underfunded are either in the Alternative or Conservation plans. There are only 3 plans left in the Conservation Plan since Charleston Fire and Police moved to Optional I. Dunbar Fire plan to move and Mr. Blosser is discussing planned movement with Fairmont Police and Fire.

- Mr. Ritchie notes they were asked to do an analysis on Wheeling Police on the correction of benefits with overpayments and underpayments, regarding the initial POB plan funding covering those overpayment and underpayment amounts. Bolton recalculated the liability, seeing if that total was covered by the POB sell. Their Liability was slightly lower, by about \$63000.00. Results were that the POB funding did cover corrections needed for the overpayments and underpayments, including a contribution that needed to be made up of about \$150,000 for past underpayments. The city of Wheeling is aware that normal cost fees will need to be paid by the city. Mr. McClane notes that the premium tax dollars will not go to the city to pay their contribution, it will now go to the Bond issuer through 2050, which started last year

### **C. P-Card Expenditures- June, July, and August 2023**

*Mr. Matthew Pauley presenting*

Mr. Pauley presents the P-Card Expenditures for the Months of June, July, and August and 2023.

*MOTION: Moved by Mr. Jason Matthews; Seconded by Mr. Tom Blosser, Motion to approve the P-Card Expenditures for months June, July, and August 2023*

***RESOLVED: P-Card Expenditures for June, July, and August have been approved as presented.***

### **D. Executive Director Report**

*Mr. Blair Taylor presenting.*

- Disability applicants include 9 active and 14 inactive

*Mr. Fleck notes that CPRB are having difficulties with getting members exams scheduled and asks if MPOB is having the same issues with getting exams scheduled?*

- Mr. Taylor answers*, stating that MPOB is having the same issues with Midwest exams. Mr. Taylor contacted Tri-State Occupational Medicine (TSOM) and has directly contracted with them for exam scheduling.

MPOB has already scheduled 2 disability exams using the new contract. Timeline scheduling for those two exams are two weeks out and the second was scheduled for one month. The difference between contracting with Midwest and MPOB scheduling is MPOB must request and supply the medical records to TSOM. MPOB uses an encrypted email service for such records. Mr. Taylor states that MPOB is happy to share the contract with CPRB Director, Mr. Fleck.

- TSOM does not do psychiatrist evaluations, so MPOB are still using Midwest for those exams, which are still causing difficulties. Other options that MPOB has looked at includes a company that cost \$6000 per exam
- TSOM travels across the state doing exams. There are numerous locations to choose from regarding the location of the member
- The Dr. will provide the report within 7-10 days, after the exam, and payment will be included in the same day
- Drop Applications – South Charleston Fire, Charleston Police and Martinsburg Police are showing interest in DROP.
- Website – Website has been updated. Standard and Optional forms are on the website and before the Actuarial studies are complete, the Alternative forms will be available on the website. For the Conservation method plans will contact the MPOB.
- Fiduciary Training – Will be scheduled for the December 2023 quarterly board meeting
- Bolton Change order – No change order is needed to include Optional II
- September 2023 Allocation - \$21.82 million Dollars, up from the previous years
- Legislative - Previous special session did not include the VFD/EMS funding.
- FY2023 Audit – This is the 11<sup>th</sup> year that the MPOB has had an unmodified opinion.
- 2025 Budget Request – The 2025 Budget Request have been submitted, on time
- Wheeling City Council Meeting – Mr. Taylor attended the Wheeling City Council Meeting, which passed a resolution to correct the method of over- payments and underpayments for the Wheeling Policemen's relief fund. There will be a similar resolution passed for the Wheeling Fire but only after resolutions have been fixed
- Mr. Les Smith has indicated that he will completely retire at the end of 2023. Mr. Taylor thanks him for his dedication, professionalism, and knowledge throughout his tenor with the MPOB. Before leaving, Mr.

Smith with help with the evaluation of the ARFP and will continue to help Mr. Pauley through his departure. Mr. Fleck, on behalf of the Board, thanks Mr. Smith for his hard work and dedication to the Municipal Pensions Oversight Board.

*Mr. Jason Matthews asks if Greystone has submitted their Quarterly Investment fees, noting that they are not included in the Quarterly investment fee report?*

Mr. Pauley states that they have sent the report, but it was after the deadline for Board packet material. Mr. Pauley states that he will send that report to the Board members, as a follow-up

- Mr. Fleck comments about the publicity being given for the absorbent amount of overtime being worked by the City of Charleston Police. He questions if the Municipal Pensions Oversight Board has been asked or is involved with the issue of overtime by Charleston PD. Mr. Fleck is aware that MPOB has compliance reviews and is aware that overtime is allowed to be used in the calculation of a final salary for a member retiring. He also notes that a person that is getting close to retirement age is working an unreasonable amount of overtime, which is increasing their final average salary.

Mr. Taylor responds that in almost every larger police department with 20 or more members, in the state, this is not unusual. It occurs in about every department, both police and fire.

The MPOB does not track overtime, tracked is the total salary reported to the Actuary each year. The Oversight Board was requested by the Legislative Auditor to provide certain information, which has been provided. The data that Mr. Allred asked for and what the MPOB were able to provide were two separate sets of data. Mr. Allred asked for breakdowns of overtime data, which is data that the MPOB is not required to obtain. MPOB receives the name and the amount a person makes for a year; their position or salary amount is not known to the MPOB. MPOB does not get data on salary amounts plus additional overtime amounts, separately. The Actuary is provided the salary, and the overtime is inclusive of that total. Mr. Taylor states that the more involvement that he has in depositions, the more he hears about "pension runs". The city regulates how much overtime is available, and who is eligible to receive the overtime.

Mr. Neddo adds that when talking to Senator Nelson, the term as overtime spiking. Mr. Neddo asks Bolton if they account for the spike in overtime.

*Mr. Ritchie responds*

There is a restriction on the amount of overtime included in the pension. Looking at the last 3 years, there can only be an allowance of 20% spiked overtime to be included in the pension calculation.

Mr. Neddo states when looking at the 5 years instead of 3 years, he can see the issue, when trying to maximize the retirement pension. Mr. Neddo doesn't think that the MPOB can address the overtime issue. Mr. Fleck stated that if a limit should apply, then there needs to be a change in the law. Mr. Taylor states that there is a limit. Taking the year in question and looking at the two previous years, and with a formula, if the year in question is 20% greater than the average of the 2 previous years, then the limit applies for the calculation.

Mr. Neddo states that overtime spiking occurs when working a large amount of overtime for 5 years instead of 3. That is when overtime spiking becomes an issue.

Mr. Taylor believes that is why the drop plans are seeing an increase. Also, extra outside activities such as Live on the Levee, Regatta, a parade, etc. require more protection. If the contractors pay the city for the protection, payments to the officers or firefighters are only shown from the city itself. A lack of employees, not enough to cover all shifts can cause the overtime that is being seen. Mr. Taylor states that overtime should be looked at by where the overtime is being given. Is it spread throughout the department or only with the employees that are close to retirement age? It would be financially beneficial for the newer employees, that make less than the senior employee's work the overtime, but that likely is not happening.

Mr. Pearcy states that the MPOB can evaluate the impact that it is having on a Pension, but ultimately it is quality enforcement by the city.

#### **V. Public Comments**

#### **VI. Adjournment**

*Motion to adjourn; Moved by Mr. Jeff Fleck; Seconded by Mr. Tom Pearcy.; Passed unanimously.*

**Resolved; Meeting for the MPOB on September 21, 2023, is adjourned.**



Steve Neddo (Chairman)

Minutes approved 10-14-23  
(date)  
Referenced documents can be found in the Board Meeting Packet

**AGENDA**  
**Municipal Pensions Oversight Board**  
**Meeting of the Board Members**  
December 14, 2023 – 1:45 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 21, 2023
- III. 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. 23-C-957.
    - 4. Terence F. Brown v. W.V. Municipal Pensions Oversight Board, Blair Taylor, City of Weirton, and Harold Miller (amended to City of Weirton and The Board of Trustees of the Policemen's Pension or Relief Fund of Weirton), Civil Action No. CC-05-2021-C-14
  - B. Compliance Review Updates
    - 1. Recalculations
      - a. Charleston Fire
      - b. Dunbar Fire
      - c. Wheeling Fire - Completed
    - 2. Reviews started July 2023
      - a. Grafton Police and Fire, Welch Police and Westover Police
  - C. Consolidated Actuarial Valuation Report for the Year Beginning July 1, 2022
  - D. ARFP for Actuarial Audit Services
    - 1. ARFP Evaluation Committee Recommendation
- IV. New Business
  - A. P-Card Expenditures – September, October, and November 2023
  - B. Proposed Legislation
  - C. Executive Director's Report
- V. Public Comments
- VI. Adjournment

**MUNICIPAL PENSIONS OVERSIGHT BOARD**  
**MINUTES OF MEETING**  
**December 14, 2023**

The Municipal Pensions Oversight Board (MPOB) met on December 14, 2023, at 1:30 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. Janet Warren calls the Roll.

**I. Roll Call - Attendees:**

**Board Members:**

Travis Blosser — Virtual

Jeffrey Fleck — Present

David Lanham — Present

Sarah Long — Virtual

Jason Matthews, Vice Chairman — Present

Steve Neddo — Chairman — Present

Michael Payne — Virtual

Tom Pearcy — Present

Craig Slaughter — Present

**Staff:**

Janet Warren — Administrative Assistant - Present

Les Smith, Accountant — Present

Matthew Pauley, Chief Financial Officer - Present

Blair Taylor, Executive Director- Present

**Guest:**

Jordan McClane, Consulting Actuary, Bolton — Present

**General Counsel:**

Anthony Eates, Deputy Attorney General – Present Virtual

**Minute taker:**

Janet Warren

***Mr. Neddo States that MPOB does have a quorum.***

## **II. Approval of Minutes**

Minutes' for the MPOB meeting on September 21, 2023, were presented for approval.

*Motion to approve the minutes as presented; moved by Mr. Jason Matthews; Seconded by Mr. Jeff Fleck. Passed unanimously.*

***RESOLVED the minutes for the September 21, 2023, meeting, Municipal Oversight Board Meeting minutes were approved as presented.***

### **Old Business:**

*Awaiting Mr. Eates' attendance.*

*Mr. Neddo will move the Compliance Review Updates to the next order of business.*

## **B. Compliance Review Updates**

*Mr. Blair Taylor Presenting.*

### **1. Recalculations**

- a. **Charleston Fire** – Charleston Fire contracted with Suttle and Stalnaker for recalculating pensions for Charleston Fire Department. Suttle and Stalnaker state they should be done with the recalculations by the end of this calendar year. Mr. Taylor should have information to report on for the March 2024 Quarterly meeting. MPOB staff will work on rechecks of Suttle and Stalnaker's recalculations.
- b. **Dunbar Fire** – Sommerville has been recalculating Dunbar Fire and should be completed by the end of December 2023. MPOB staff will work on rechecks of Sommerville's calculations. MPOB should have information to report on for the March 2024 Quarterly meeting.

*Mr. Lanham excuses himself from the meeting.*

- c. **Wheeling Fire** – MPOB staff has completed the rechecks of Wheeling fire. There were two recalculations that the MPOB could not verify as correctly recalculated. One being a QDRO issue. Wheeling did not provide a signed QDRO for reference, making the recalculation for that member impossible for a calculation recheck. The second being a non-duty disability pension where the member had not been providing tax returns, making it impossible for the MPOB staff to recalculate the pension. The city counsel of Wheeling has passed a resolution for the pension overpayments to be made whole through the bond sales and bring those pensioners to the corrected amounts they are entitled to receive. Bolton is currently looking at the Bond sale amounts to make sure there are no additional dollars that need to be paid, in addition to the bond sale to make the system whole. Wheeling has reset all pensions to

the amount that each pensioner should be receiving. That means that MPOB is finished with the recalculations of Wheeling Fire.

Mr. Neddo asks if the issue with the QDRO will become an issue in the future for the MPOB, if Wheeling fire does not follow up, with the corrected signed documents for the QDRO. Mr. Smith states that we have discussed the issue with the city as to why the MPOB cannot calculate the QDRO issue and it is up to the city to follow up with proper documentation.

As a follow-up, Mr. Taylor states that the Wheeling Fire Pension Board has hired Sommerville for future calculations of their retirement pensions. Mr. Taylor states that Sommerville has reached out to MPOB with questions regarding future retirees, and he believes that the relationship between Sommerville and the MPOB will be smooth and amicable going forward.

*It is Mr. Taylors recommendation that the Municipal Pensions Oversight Board be finished with Wheeling Fire and Wheeling Police recalculations.*

Mr. McClane, Bolton, asks if the pensioners that were overpaid or underpaid prior to 2017 will continue to be overpaid or underpaid. Mr. Taylor states that every pension will be brought back to the corrected amounts, even those who retired prior to 2017.

*Mr. Lanham reattends the meeting.*

## **2. Reviews stated July 2023**

*Mr. Matthew Pauley presenting:*

Progress is ongoing for all Municipalities. Mr. Pauley believes that he has all the information needed to complete the reports for Welch Police and Westover Police.

- a) **Grafton Police and Fire** – Mr. Pauley is having problems getting information from the pension secretaries for both Grafton Police and Grafton Fire, but efforts are continuing.
- b) **Welch Police** – Mr. Pauley has all the information needed to complete the Compliance review.
- c) **Westover Police** - Mr. Pauley has all the information needed to complete the Compliance review.

## **B. Consolidated Actuarial Valuations Report for the Year Beginning July 1, 2022**

*Jordan McClane presenting.*

Bolton produces 53 individual funding reports, 1 for each 53 plans covered by the MPOB. Bolton also produces 1 consolidated Actuarial report which is aggregate results for all 53 plans. While not the focus today, Bolton also produces 53 GASB reports for funding and actuarial purposes. These reports are for July 1, 2022, valuations.

Actuarial Valuations serve 3 main purposes.

- 1) Develop required contribution for all 53 plans for FY24 starting June 30, 2024
- 2) Determine eligibility for receiving premium tax allocations for FYE 06/30/2024
- 3) Determination of requirement to provide COLA as of 07/01/2024

As a background: there are 5 funding policies to choose, Standard, Optional, new this year Optional II Alternative and Conservative, that is what drives the funding requirements. Regarding the premium tax

eligibility, Bolton compiles a solvency projection over 15 years, looking at whether the plan is expected to remain solvent. If solvent and under 100% funded, then that plan is eligible for the premium tax allocation dollars. For COLA, Bolton completes a similar solvency projection on a different basis. If the plan is expected to be solvent over the next 15 years, COLA must be granted as of July 1, 2024. All plans meet the test this year, so all plans must provide COLAs.

#### **2022 Results – Contributions shown over the last 5 years.**

- a) **Employee contributions** – Employee contributions have remained stable over the past 5 years (6.3 million dollars).
- b) **Net City Contributions** – Down around 4 million dollars from the previous year, primarily because 9 of the 53 plans had an increase in the discount rate, and premium tax allocation dollars went up substantially. Premium tax allocation dollars that use the Standard or Optional Funding Policy are a direct one to one offset.
- c) **Premium tax allocation** – The 19.2 million dollars, actually \$21.8 million dollars, however, only plans that are less than 100% funded are eligible for the premium tax allocation, there are 7 plans above 100% funded. The additional 2 million dollars account for Wheeling Pension Bond sales, that \$2 million dollar difference will be going to the Wheeling Bond commissioner and not to the pension fund.
- d) **Total Contribution** – Total contribution for FY2024 is \$68.9 million dollars.

#### **2022 – Results Funded Status - assets divided by liabilities.**

- a) **Accrued Liabilities** – Anticipates to generally go up every year. Actives are incurring an additional year of service. 9 of the 53 plans had an increase in discount rate and 3 of the 53 plans had a decrease in the discount rate. So, of the 12 plans that had a change, the net impact, there was a reduction in liability of \$87 million dollars.
- b) **Actuarial Asset Value** – Because Asset smoothing was implemented 2 years ago, instead of asset contributions going down then spiking up, by using more actuarial sound policies such as asset smoothing, contributions are more level, with assets going up and liabilities going down, mean funding ratios are going up over the past 4 years.
- c) **Funding Percentage** – Funding percentage is going up. In 2018 Funding Percentage was 26%, and in 2022 Funding Percentage is 37%.

#### **2022 Results – Funded Status (by funding policy)**

Showing results by funding policy. Actuarial sound funding policies are the Standard and Optional funding because they are a normal cost plus an annumeration of the unfunded liability. The plans using those policies are better funded than those using the other funding policies. Two outliers this year are the 2 Charleston plans. Those plans were in the Conservation funding policy and switched this year to the Optional Policy, that is why their funded status is like the Conservation plan.

#### **2022 Results – Participant Counts (by status)**

There are about 20 active plans still open. Bolton expects that active membership number to decline every year. There are no new members going into the new plans, and members retiring will result in participation numbers decreasing. Over a 4-year period there is about a 17.3% decline in active participant counts (4.3% decrease from 2021-2022). Total change, the amount has decreased about 3.4% over the 4-year period (1.3% from 2021 to 2022).

*Mr. Fleck asks Mr. McClane a question.*

With the decrease in the actives and the increase in the retirees, will that gap continue to get bigger over time, meaning fewer employees going in with contributions, and the only source will be the employers putting in more money?

Mr. McClane states that question is correct. He states that one of the measures that Bolton looks at for plan maturity is active membership vs. retired membership. Contributions are looked at as a percentage of payroll and as your payroll declines, the contribution becomes a high number.

Mr. Fleck asks if the employer can continue to maintain their contributions as the decrease in active membership declines?

Mr. McClane states that it depends on the funding policy. If under one of the actuarial sound funding policies, then they should remain relatively stable, over time. With Alternative, employers are paying 7% more than the previous year, which is not a sound funding policy with declining employee contributions and that will be harder to sustain.

## 2022 Results – Assets

The environment was not great for the investment markets.

- a) **MVA** – Market Value returns on aggregate were -10.9% if MPOB was not using asset smoothing that would have resulted in a loss of approximately -16.5%. That is because they were anticipating 5.6%, instead it was -10.9%, so the loss would have been -16.5%.
- b) **AVA** – Because the asset smoothing was implemented, the return was 5.2%. The loss is much smaller at 5.6% than if you did not implement the asset smoothing method. Looking at the Asset Value, there is a loss of around \$98 million dollars less than anticipated. In 2021, asset values were up around \$86 million dollars and because the asset smoothing was implemented, recognizing 25% asset gains and losses (over the 4-year period), as of July 2022 there is a net loss of approximately \$33 million dollars which will be recognized over the next 3 valuations.

## 2022 Results – Experience (Gain) / Loss

Actuaries make assumptions on what they believe will happen in the future. Bolton looks at both liability and assets.

- a) **AVA** – return was 5.2% Bolton was anticipating a 5.6% return, resulting on a loss of \$2.2 million dollars (small compared to what it would have been if the asset smoothing method was not implemented).
- b) **Liability** – Loss of liabilities of \$19.6 million dollars. The drivers of the \$19.6 million dollar loss consisted of salary increases, which were larger than anticipated. In aggregate the assumption on salary increases was 5.5% and actual salary increases were around 10%. The second driver is the COLA increase. The COLA as of July 1, 2022, was 4.0% and the assumption was 2.5%.

*Mr. Fleck asks why the COLA was higher than the assumptions?* Mr. McClane responds that the assumption used in the Valuation is a long- term assumption for all future COLAs, which is usually set around inflation and for the past several years inflation has been around 2.5%.

*Mr. Neddo asks a question:* Mr. Neddo states that from 2020 to 2021 the cities are paying around 10 million dollars less in contributions. When pensioners see that employee contributions have not changed but the employer contributions have gone down, how do you explain that to the pensioner?

Mr. McClane states that when cities are funded at 100% the employees are still contributing to their pension and the city doesn't necessarily need to contribute, because they are funded at 100%. The way the discount rate is set up is one of the biggest impacts on all the results. As your funding status improves the discount rate can improve, assuming the assets aren't depleted. The premium tax dollars help. When the premium tax dollars go up, the contributions from the employer's cost go down.

*Mr. Neddo states that the fully funded plans are all closed, but they are also extremely small departments.*

Mr. McClane states that when actuaries look at the cost of the plan, they look at 2 components. First being normal cost and second municipalities paying down unfunded liability. A large amount of the employer contribution is unfunded liability. Looking at the normal cost, you can look at the employee contributions as offsetting that cost. But the employer piece of the normal cost is going to be relatively stable each year. Mr. Neddo asks Mr. McClane if plans like Charleston, who moved to Optional plan this year, should show better improvement next year or over the next few years? Mr. McClane states that it could improve, that being in Conservation or Alternative funding policy is unsustainable.

Mr. Fleck asks if there has been an increase in Municipalities utilizing the Investment Management Board and if that is one of the reasons some cities have increased their assumed rate of return. Mr. McClane states that statement is true, looking at fees and allocations, there is a separate portion when investing with the IMB. Although Bolton makes assumptions, no assumptions impact the cost of the plan. The cost of the plan is the benefits being paid out.

Mr. Taylor states, as a reminder to the Board, that regardless of whether a city has closed a plan and moved to either Optional or Optional II or remaining open but specifically the ones that have closed their plans, when new officers or fire fighters are hired, they go into the Municipal Police Offices or Firefighters retirement system. We count all those new active members in the new statewide plan as they were members in the local plan for the purposes of distributing the state aid.

*Mr. Neddo moves the meeting to old business – Legal*

#### **A. Legal**

Mr. Anthony Eates presenting.

- 1. Beckley Fire Department Pension Board vs. MPOB Civil Action No. CC-41-2022- C – 185** - Mr. Eates received an email about the proposed stipulations that were sent from Mr. Eates. Beckley responded that the stipulations were fine, but they had one change which Mr. Eates will speak to Mr. Taylor about after the Board meeting. Mr. Eates believes that the case should move soon.
- 2. Todd Lewis Taylor v. The City of South Charleston, WV Policemen's Pension and Relief fund -Judge Webster** – The case is active. There have been 6 to 8 depositions taken. There is a court order mediation that will take place on January 12, 2024, with mediator Frank Litton.

- 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** – This case has had several different case numbers. The case is now filed correctly, an answer has been filed by Mr. Eates and it is pending. The case has been assigned to Judge Row and Mr. Eates assumes it will be transferred to Judge Dave Hardy.
- 4. Terrence F Brown vs WV Municipal Pensions Oversight Board, Blair Taylor, City of Weirton & Harold E. Miller (amended to City of Weirton), Civil Action No. CC-05-2021-C-14** – Mr. Eates states this case is triggered by insurance coverage (BRIM) and Mr. Taylor may have an update. Mr. Taylor states there is no update. BRIM continues to monitor the case but because the MPOB is no longer a party to the case, there is no access to the information. MPOB attorney's in the case is LouAnn Cyrus. Weirton Policemen's Pension and Relief Fund also has BRIM insurance, so they have assigned a firm out of Wheeling to represent them.

*Mr. Taylor states that he has one other issue that needs to be discussed with the Board.*

Mr. Taylor, the Oversight Board, received a letter from Martinsburg Firemen's Pension and Relief fund secretary. Mr. Taylor has spoken to Mr. Neddo and Mr. Eates about this issue. There are multiple cases around the state where firefighters have sued their cities for holiday pay that was not paid to the members. Some cities have settled, and some have not settled. Martinsburg settled the case with their firefighters, and they have received significant payouts because they were not paid appropriately. Martinsburg's question is as such: *Where does the Holiday pay go once the pensioner retires?* On a side note, the statute of limitation can only go back 5 years for wage pay for the base wages for Holiday pay that they did not receive. Martinsburg would like advisement from the MPOB on how to calculate the payout. Should it be calculated as base or other pay and remuneration. In the past when the Board received requests for legal opinions on pension plans, the board deferred a response back to the cities attorney's, because the MPOB Board members are not attorney's. Mr. Taylor recommends that the Board follow past protocol, which is to recommend that they go to their pension attorney and ask their attorney for an opinion on where the payout should be calculated. Those payouts ran through the City's payroll and had pension and taxes withheld from them, which becomes the criteria of why it must be calculated into their retirement. Mr. Pearcy states that we cannot act as their firm to provide legal opinions on how to calculate this into their retirement amounts. Mr. Eates states that he would not disagree with the approach being to defer to the pension's legal counsel. The only issue is that once they get the legal opinion and implement said opinion, then the MPOB board could come at a later date and state that it was calculated incorrectly. Mr. Eates states that because taxes and pensions were taken out of the payouts, it looks like it should be base pay, but it doesn't add up dollar for dollar had they been paid correctly in the beginning. There have been arguments that it could be other renumeration. But Mr. Eates believes that is up to the Pension's attorney's on how this should be calculated.

Mr. Blosser asks Mr. Taylor if the court stipulated through every payout that it had to be run through the payroll system? Mr. Taylor states that he has not seen all the court orders related to this issue, but of the court orders that he has been privy to regarding the active members, they have all run the payouts through the city's payroll, all state and federal taxes, along with pension amounts were withheld as well.

Mr. Pearcy states that he would not want to misinterpret or evaluate a court order that the MPOB is not a part of, although he agrees with Mr. Eates, he believes that we cannot give an opinion on this matter, on what a judge intended.

*The MPOB agrees that it should be sent to the Pension boards legal counsel for each City. Mr. Taylor states that he will respond to Martinsburg's inquiry stating that it is the decision of the MPOB for*

*Martinsburg to seek their own attorney for clarification.*

Mr. Taylor references the letter received from Martinsburg's Firmen's Pension and Relief fund. Also stating that the active members had pension and taxes withheld but the retirees that have previously retired had their payouts sent to the lawyer for disbursement.

Mr. Neddo states that the pension board wants to run it through as base and the city wants to run the payout as other renumeration, and that could change the amount, if it applies to the retirees top 3 pay. Mr. Neddo agrees that it should be sent back to the local pension board's legal counsel for clarification.

Mr. Fleck asks if compensation is described in the statue and Mr. Taylor states that base pay is defined as Holiday pay.

Mr. Eates states there may be more information that isn't available to the MPOB, stating the letter sent to the MPOB may not be all the documentation available.

#### **D. ARFP for Actuarial Adut Services**

*Mr. McClane excuses himself from the meeting.*

*Mr. Fleck makes a motion to go into Executive Session for the purpose of discussing contractual 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 contractual matters.*

*No members of the staff are asked to leave.*

**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 contractual matters.**

Mr. Neddo calls the meeting back to the regular order of business stating no motions were passed during the executive session.

#### **1) ARFP Evaluation Committee Recommendation**

*Mr. Fleck Presenting*

The ARFP Committee met numerous times, listening to presentations from bidding Vendors, and after scoring on Technical and Cost, Mr. Jeffrey Fleck motions to award the contract to the apparent winning bidder, Buck Consultants, with the option if the staff cannot come to an agreement with Buck Consultants, they can go to the next highest score by Vendor.

*Motion: Moved by Mr. Jeffrey Fleck; Seconded by Mr. Craig Slaughter for the Municipal Oversight Board to award the ARFP award to Buck Consultants, by way of highest score.*

**Revolved, that the Municipal Oversight Board awards the ARFP contract to Buck Consultants.**

Mr. Fleck would like to publicly thank the members of the ARFP Committee, Mr. Craig Slaughter, Mr. Les Smith, Mr. Travis Blosser, also Mr. Blair Taylor for the time that was spent on the ARFP award process. Mr. Fleck also thanks Mrs. Janet Warren and staff for the hard work during this time.

#### **IV. New Business**

##### **A. P-Card Expenditures – September, October, and November 2023**

Mr. Matthew Pauley presenting.

Mr. Pauley Presents the Board with the P-Card Expenditure for September, October, and November 2023.

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

**RESOLVED, the PCard expenditures for September, October, and November 2023 are approved as presented.**

#### **B. Proposed Legislation**

There is no proposed legislation from the staff for presentation.

#### **C. Executive Director's Report**

*Mr. Taylor Presenting*

- **25 total request CY2023**

**10 Active**

- 6 active Temporary – (5 completed up to 26-week periods)
- 1 active Request in Process

**15 Inactive**

- 3 inactive – return to work
- 4 inactive – withdrawn
- 8 inactive – permanently claims completed

**4 Permanent Disability Request**

- 2 Permanent – completed
- 2 Permanent – Pending

**1 active Military request completed successfully**

- Mr. Taylor did not meet with any Boards of Trustee Members. In the Month of October MPOB staff paid over \$8.7 million dollars of state aid. This week MPOB staff has paid another \$2 million dollars additional dollars in state aid. The City of Wheeling has made the normal cost payments for both the police and fire for the first 6 months of aid. That payment was made to the Wheeling Bond Trustee this week.
- Mr. Taylor had several visits with Mayors and city managers. The MPOB has worked closely with the City of Dunbar's Mayor, Mr. Elliot, regarding both police and fire pensions regarding changes to the city's payroll payments and investment managers.
- MPOB has talked with Charleston City Manager regarding the change for the Conservation funding methodology to the Optional Funding Methodology. In that discussion, the city of Charleston had an account that was separate from the police and fire pensions that held around \$36 million dollars. They split that money in half and

deposit half to the Police Pension plan and half to the Fire Pension Plan, which is now being invested with the Investment Management Board (IMB).

- Both Dunbar Police and Dunbar Fire should be investing with IMB. Dunbar Fire is planning to present to their city council the change in funding policy from Conservation to likely Optional II Funding Methodology, which cannot occur until MPOB has completed the recheck of the Audit for Dunbar Fire. Mr. Taylor states that should be completed early next year.
- Martinsburg has signed a separate contract with Bolton to determine the cost to move from Alternative funding to either Optional I or Optional II Funding Methodology.
- Fairmont Finance director has asked for help from the MPOB staff regarding QDROs that were not calculated correctly.

### **Drop Applications**

- The City of Vienna has sent Mr. Taylor a draft regarding DROP applications. Mr. Taylor has reviewed the draft and sent it back to the city. Mr. Taylor thinks the City of Vienna will be applying for DROP. Once received it will be submitted to Bolton for review. That may result in a DROP review from the MPOB Board in the March quarterly meeting.
- There have been questions regarding DROPs from the City of Charleston finance director and well as both Police and Firemen's Pension Secretaries.
- Martinsburg Police has expressed in a DROP. Mr. Taylor will attend meeting with Fire Chief Matthews and the Police Chief Department in Martinsburg's to discuss DROPs.
- Data circuits have been installed. Connectivity has improved.
- Mr. Taylor completed conflict management training (12 hours) on December 5-6, 2023. Also completing OT training.
- September 2022 Allocation - \$400,000 remains to be drawn down. \$400,000 was allocated to fully funded plans and those funds will be reallocated.
- September 2023 Allocation – Of the \$21.8 million that were allocated, \$10.2 million has been drawn down and allocated as of the end of November, with another \$2 million allocated this week.
- Mr. Blair, on behalf of Mr. Pauley, asks that the Board get rid of the bar line graph and use the spreadsheets solely.
- Quarterly fees charged, data for the first 3 quarters have been collected. The 4th quarter information will be available at the next board meeting. That Quarterly fee is also available on the MPOB website.

*Mr. Taylor finishes the Directors report.*

*Mr. Fleck presenting*

Mr. Fleck states the Executive Director must be evaluated once a year. Mr. Fleck will be scheduling a meeting with the HR committee before the next quarterly board meeting for an evaluation meeting.

### **V. Public Comment**

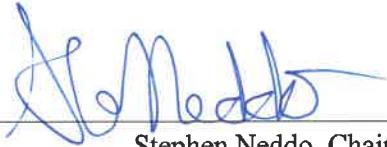
Mr. Taylor presents the Statistic Plan information to the Board. This is provided by Bolton and the MPOB adds the current year ROI data. All plans have documented ROIs, except for Dunbar Fire and Dunbar Police. That data is no longer provided by the Municipalities investment firm.

## VI. Adjournment

Mr. Neddo called for a motion to adjourn:

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

***RESOLVED***, that the December 14, 2023, meeting of the MPOB is adjourned.



Stephen Neddo, Chairman

Minutes approved 3/21/2024  
(Date)

Referenced documents can be found in the Board Meeting Packet.