

AGENDA

Municipal Pensions Oversight Board

Meeting of the Board Members

March 18, 2021 – 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 17, 2021
- III. Executive Session
 - a. Legal Issues
 - i. Terrence Brown v. W.V. Municipal Pensions Oversight Board, Blair Taylor, City of Weirton & Harold E. Miller
 - ii. Paul Harrison v. The Charleston Firefighter's Pension and Relief Fund
- IV. Old Business
 - a. Legislative Rule Title 211, Series 2
 - i. SB 160 (Rules Bill SB169)
 - b. Compliance Review Updates - Saint Albans Fire, South Charleston Police, Williamson Fire and Police, Charleston Fire and Police, Moundsville Police, Beckley Fire and Police, Princeton Fire and Police, Weirton Police
- V. New Business
 - a. Compliance Reviews
 - i. Oak Hill Police
 - ii. Star City Police
 - iii. Vienna Police
 - iv. Dunbar Fire
 - v. Dunbar Police
 - vi. Bluefield Fire
 - vii. Bluefield Police
 - b. P-Card Expenditures – December 2020, January, and February 2021
 - c. Legislative Agenda
 - i. SB459/HB2868
 - ii. HB2784
 - iii. HB2829
 - d. Executive Director's Report
- VI. Return to Old Business
 - a. Compliance Review Update – Wheeling Fire and Police
- VII. Public Comments
- VIII. Adjournment

Pursuant to recommendations made by the West Virginia Ethics Commission, the March 18th meeting will be closed to the public for in-person attendance. Anyone wishing to attend via telephone may call 304-356-2422 to obtain call-in instructions.

MUNICIPAL PENSIONS OVERSIGHT BOARD

Minutes of Meeting

March 21, 2019

The Municipal Pensions Oversight Board (MPOB) met on March 21, 2019 at 1:00 p.m. at 301 Eagle Mountain Road, Suite 251, Charleston, West Virginia. The Chair, Mr. Neddo, called the meeting to order, noting that a quorum was present.

ATTENDEES

Board Members:

- Lisa Dooley, absent
- Jeffrey Fleck, present
- John Kee, present
- Emily Lambright, present
- David Lanham, absent
- Jason Matthews, (joined by teleconference at 1:42 p.m.)
- Stephen Neddo, present
- Michael Payne, present by teleconference
- Craig Slaughter, present

General Counsel:

- Kelli Talbott, Counsel – WV Attorney General's Office, absent

Staff:

- LeAnne Neccuzi, Administrative Assistant
- Les Smith, Accountant
- Blair Taylor, Executive Director

Guests:

- Larry Diamond - Retiree - City of Huntington Firemen's Pension Fund
- Susan Economou – Legislative and Policy Analyst, WVML
- Ellen Kleinsteuber, Chief Actuary-Bolton
- Tom Lowman, President, Bolton Retirement-Bolton
- Forrest Marshall - Retiree - City of Huntington Firemen's Pension Fund
- Jordan McClane, Consulting Actuary – Bolton
- James Ritchie, Senior Consulting Actuary – Bolton
- Alan Torroella, Actuarial Analyst - Bolton

Minute Taker:

- LeAnne Neccuzi



ORIGINAL

Approval of Minutes

Minutes for the MPOB meeting on December 13, 2018, were presented for approval. Ms. Lambright requested a correction of the minutes to reflect that she was present by teleconference at the December 13th meeting: *Moved by Mr. Fleck; Seconded by Ms. Lambright; Passed unanimously:*

***RESOLVED*, that the minutes of the December 13, 2018 Municipal Pensions Oversight Board meeting be approved with the noted change.**

OLD BUSINESS

Donald Scurlock/Nitro Policemen's Pension Case – No Update

No update.

Legislative Update

Mr. Taylor discussed legislation passed by the WV Legislature in the 2019 Session.

- i. **HB2743 – investments language deleted from §8-22-11a. Restrictions on Investments.** This bill passed both the House and the Senate. It was forwarded to the Governor's office for signature on March 8th. This bill provides clean up language to 8-22-11a that referenced police pension plans and fire pension plans with respect to a restriction on how monies could be invested. This was an erroneous instance in the Code because all the police and fire pension investment restrictions are in 8-22-22a. The Governor has until the 27th of March to sign all of the bills. If he does not sign it and does not veto it, it will become law automatically.
- ii. **SB617 –** This bill was at the request of the MPOB. Current law requires a city to pay 1/12 of its share into pension plan each month. Current law does not allow for prepayments of municipal obligations. The MPOB asked the Legislature to change the Code to allow for prepayment of municipal obligations. SB617 passed and it was sent to the Governor's Office on March 19th. Mr. Taylor believes SB617 will be signed by the Governor.
- iii. **SB316 –** SB316 was introduced at the request of several fire pension retirees and was passed. Assuming the bill is signed by the Governor, the bill is in effect from passage (March 6, 2019). The bill made several changes to §8-22-27a(a) and (d). Specifically,

the bill directs the MPOB to order local pension boards of trustees to correct discovered errors in pension calculations if the local pension board fails to correct such errors. The bill also gives the governing boards of municipalities certain powers once the MPOB orders a municipal pension plan to correct errors. A municipality's governing body may appoint four additional members to the board of trustees for the purpose of implementing the provisions of the order from the MPOB. A municipality may also authorize the continued erroneous payments to retirants or beneficiaries provided the municipality continues to also authorize continued payment into the pension fund its statutory obligations.

- iv. **HB2229** – Honorable Service requirements which was introduced by Delegate Shott– Did not pass. Mr. Taylor left it on the agenda because eventually it will be passed by both Houses, not just the House of Delegates. Current statutes state a member shall lose his/her pension if convicted of a felony that relates to their position in government. The bill would have made the conviction of certain misdemeanors also a requisite to forfeiting a public pension.

Morgantown Policemen's and Firemen's Pension Update

No update.

Huntington Policemen's and Firemen's Pension Update

No update.

Compliance Reviews No Update

Mr. Taylor reported that the West Virginia State Auditor's Office (WVSAO) continues to do some compliance reviews out in the field. The MPOB, however, has not had a chance to do any for the past sixty days while the legislature has been in session. At the meeting in March, the City of Princeton had just received the results of their AUP's from the State Auditor's Office. They are working on a couple of other cities but have not finished those reports yet.

NEW BUSINESS

Bolton Partners, USA – Actuarial Changes

The representatives from Bolton began their presentation by introducing themselves and describing the roles they will perform in providing actuarial services to the MPOB. Ms. Ellen Kleinstuber, Chief Actuary, will provide support to the team and quality control for the project. Mr. Tom Lowman has been an actuary at Bolton for 20 years and has a total of 40 years' experience working as an actuary. He works mostly on public sector pensions and has worked extensively with DROPS. Mr. Allen Torroella has two years' experience and recently transferred to Bolton's Baltimore office. He will be the data collection contact for the pension plans. Mr. Jordan McClane is the project leader for the engagement. It is his responsibility to keep everyone on schedule to meet their deadlines and ensure that valuations are on time, etc. Mr. Jim Ritchie is the lead actuary with 30 years of experience. He is new to Bolton. His experience includes working with the public sector. The MPOB primarily will be working with Mr. McClane and Mr. Ritchie. Bolton provides actuarial work for pensions, health care work and some investment consulting. Seventy-five percent of their work involves public pensions. Bolton employs 115 people of which, approximately one quarter are credentialed actuaries.

Mr. McClane reported on the preliminary transition results of how closely Bolton matched the Gabriel Roeder Smith (GRS) results produced for the July 1, 2017 actuarial valuation. He gave an overview of the procedures they use when they take over a new client or do any sort of replication audit:

"We look at a few key measures after we code the valuation; Present Value of Benefits (PVB), the Accrued Liability and Normal Cost. The PVB is generally what we look at first because it is all encompassing. This is the discounted value of all future benefits that will be paid out by the plan. The Accrued Liability is essentially, of the PVB, how much of that is accrued to date on the valuation date? The Normal Cost is just, you can consider that your cost for an additional year of service. So, if we look at the PVB which is on the first line, you see that we have a difference of about 2.1%. Bolton is at 1.93 Billion. GRS was at 1.89 Billion. Generally, in terms of tolerance when we are looking to do these replications, we consider anything within 3 to 5% as reasonable. So that we are under 3%, that is a good match. Again, these are preliminary results, so we are showing this in aggregate for all 53 plans. We have this broken down by plan and we are still making a few tweaks here and there to see if there are any differences between our numbers and GRS' but for the most part these are pretty good results. The Accrued Liability is the same thing, about 2%. Bolton's about 2% high. Normal cost, which is an important component for plans that are using the Standard and Optional Funding methods because

ORIGINAL



the Normal cost is a direct component of the contribution. So that's some of the things that were less than 1% different there. So, we're feeling confident about our numbers and that's with not having a lot of information from GRS. Any questions?"

Mr. Slaughter asked, what types of things would cause Bolton's numbers to be different. Mr. Ritchie explained that sometimes it can be timing. Mr. McClane stated that GRS uses a different valuation software. How GRS codes it versus how Bolton codes it can skew the numbers up and down.

Bolton representatives then discussed the actuarial schedule for the current period through December. Their timeline can be found in the attached PowerPoint handout, *West Virginia MPOB Pension and Representative Kick-Off Meeting*ⁱ, that will also be distributed at the Pension Representative Kick-off meeting on March 22, 2019 at the Charleston Convention Center. Bolton will be training pension secretaries and municipal treasurers on how to submit data using their CITRIX Sharefile® data collection system. Next week they will be sending out the data requests that will have been discussed at that training.

During the actuarial transition period, the new actuary will basically perform the transition and reflect on the current actuarial assumptions. They will be looking to see if any assumptions should change and if they do need to be changed, when? Finally, they will review the DROP plans and provide those reviews to the MPOB for the Legislature. Mr. Lowman discussed how the DROP plans will be reviewed by Bolton in the future. Reviews will be done for the three DROPS that were authorized by Code in 2011: Saint Albans Fire, Saint Albans Police, and Wheeling Fire. In the coming quarter, they will produce reports on whether these plans were revenue cost neutral to the municipal plans.

Disability Retirant working for new employer as a police officer/firefighter

Mr. Neddo reported an issue that has come to his attention regarding two police officers who have both retired on a permanent medical disability pension and then returned to work at other police departments. He has been asked whether the MPOB will take any measures in response to the actions of the officers. Initially, he believed that the issue is not really MPOB related as much as it is related to the state agency that certifies police officers which is the Law Enforcement Professional Standards Information System (LEPSIS). At their last board meeting, he and LEPSIS personnel looked at what their standard is to recertify a police officer. He later met

with Mr. Taylor and Ms. Talbott to see what options the MPOB has. It is his belief that if a police officer retires, and retires on a medical disability, they should not be working at another police department. LEPSIS is looking at this issue and possibly will be tweaking some of their reapplication/certification rules. It currently is their policy that if an officer claims a medical reason or a mental reason for no longer being able to work, they are no longer eligible to work as a police officer. Further, Mr. Fleck has been consulted and has offered helpful information about how the Consolidated Public Retirement Board (CPRB) certifies a medically retired pensioner every year. Mr. Taylor referenced W.Va. §8-22-23a which is the statute that applies when determining whether someone is disabled; either duty related or nonduty related. It states that the doctor is certifying that the person is disabled because they are so mentally or physically disabled from doing the job of a firefighter or police officer; and that, with the medical piece they can no longer be a police officer or firefighter. Ms. Talbot agrees that an individual who receives a disability based on that language should not be able to go out and become a police officer or firefighter for another department or agency; as they have been medically certified to not be able to hold those standards for that job. It may become necessary to educate the local boards and the members who are taking disability about the limitations as far as ever becoming a police officer or a fire fighter again. Mr. Neddo, Ms. Talbot, and Mr. Taylor will continue to research options for handling this situation.

Personnel

At 1:43 p.m., Mr. Fleck recommended the board go into executive session as provided for in the Open Meetings Act, under **W.Va. §6-9A-4(b)(12)**, to discuss personnel matters. *Moved by Mr. Fleck; Seconded by Ms. Lambricht; Passed unanimously:*

RESOLVED, that the Municipal Pensions Oversight Board go into executive session as provided for in W.Va. §6-9A-4(b)(12) to discuss personnel matters.

All guests, Ms. Neccuzi, and Mr. Smith left the meeting during the executive session.

Mr. Neddo called the meeting back to the regular order of business, stating that no votes had been taken during executive session. *Moved by Mr. Slaughter; Seconded by Mr. Fleck; Passed unanimously:*

RESOLVED, that the Municipal Pensions Oversight Board authorizes the Executive Director to hire a Chief Financial Officer (CFO).

Mr. Neddo announced that Mr. Smith will be retiring from his position as Accountant for the Municipal Pensions Oversight Board in July 2019. *Moved by Mr. Fleck; Seconded by Ms. Lambright; Passed unanimously:*

RESOLVED, that the Municipal Pensions Oversight Board authorizes the executive director to re-employ Mr. Les Smith on a temporary/part-time basis after his retirement, not to exceed the \$20,000 limitation in statute.

Moved by Mr. Slaughter; Seconded by Ms. Lambright; Passed unanimously:

RESOLVED, that the Municipal Pensions Oversight Board give current staff a raise which is equivalent to what state employees will receive under the 5% mandate of the WV Legislature in the 2020 Governor's Budget Bill (HB 2020), effective July 1, 2019.

RFQ for FY Audit Services

The current MPOB auditing services contract, MPO1600000003, with Suttle and Stalnaker was for one year with two optional one-year renewals, which have been completed and will expire on June 9, 2019. The MPOB will be releasing a Request for Quotation (RFQ) for audit services to the public within the next few weeks. The cost for this last audit was bid at roughly \$10,000 per year, however, it is anticipated that, to account for inflation, bids could come in between \$10,000 and \$15,000 per year. Mr. Taylor is hoping to have a new contract in place before the end of the fiscal year.

P-card Expenditures (November and December 2018, January, and February 2019)

Mr. Smith presented the P-Card expenditures for November and December 2018, January, and February 2019. *Moved by Mr. Kee; Seconded by Mr. Lanham; Passed unanimously:*

RESOLVED, that the Municipal Pensions Oversight Board approve P-Card expenditures for November and December 2018, January, and February 2019ⁱⁱ.

Executive Director's Report

Mr. Taylor presented his report for the period of January 1, 2019 through March 7, 2019.

Next Board Meeting

The next regular meeting of the MPOB will be held on June 27, 2019 at 1:00 p.m. at 301 Eagle Mountain Road, Suite 251, Charleston, West Virginia 25311.

Public Comments

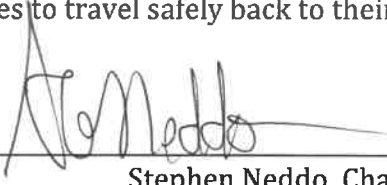
Mr. Neddo invited any guests who would like to make comments do so at this time. No guests chose to make comments.

ADJOURNMENT

Mr. Slaughter called for a motion to adjourn: *MOTION: Moved by Mr. Slaughter; Seconded by Mr. Fleck; Passed unanimously:*

RESOLVED, that the March 21, 2019 meeting of the MPOB is adjourned.

Ms. Neccuzi cautioned meeting attendees to travel safely back to their headquarters.



Stephen Neddo, Chairman

Minutes approved 06/27/2019
(date)

- _____
- ⁱ Powerpoint Presentation - West Virginia MPOB Pension Representative Kick-off Meeting
 - ⁱⁱ P-Card expenditures for November and December 2018, January, and February 2019

THIRTY



MPOB Purchasing Card Review/Audit Record

Cardholder Karen L. Naccuzzi

Billing Cycle Nov/Dec 2018

Transaction Limit _____ Monthly Limit _____

Reviewer: _____

Item	Trans Date	Vendor	Brief Item Description	Transaction Amount	Itemized Receipt/Del Ticket Y / N	Tran Document Number	Receiving Report Y/N	R* D* C*	Statewide Contract Used Y / N**	State Contract Number Used	If no SW/C used, Bids Sought or Required Y / N
1	11/14/2018	WV Treasury	WV Correctional Industries - Paper (40 Reams)	\$140.80 \$140.80	Y	TRAN 2656416					
2	11/19/2018	Komax	Copier Click Charges 9/7/18 to 10/6/18	\$13.59 \$13.59	Y	TRAN 2611157			Y	dllycop	
3	11/19/2018	Komax	Copier Click Charges 10/7/18 to 11/6/18	\$16.29 \$16.29	Y	TRAN 2661158			Y	dllycop	
4	11/21/2018	Suddenlink	10 meg circuit 10/16/18 - 11/15/18	\$775.00 \$775.00	Y	TRAN 2664097			N		
5	11/29/2018	Jimmy Johns	Food for RFP Committee	\$31.70 \$31.70		TRAN 2671422			N		
6	11/29/2018	ATT	ATT Service 10/3/18 - 11/2/18 #287267230256 B. Taylor	\$57.36 \$57.36	Y	TRAN 2671423			Y	cellphone13A	
7	11/29/2018	ATT	ATT Service 10/3/18 - 11/2/18 #287245126564 L.Smith	\$54.26 \$54.26	Y	TRAN 2671424			Y	cellphone 13A	
8	12/8/2018	Office Max	Electric Pencil Sharpener #805564	\$18.17 \$18.17	Y	TRAN 2683061			Y	Office15	
9	12/10/2018	Office Max	Calendars, Decanter, Sticky Notes, E.Stapler	\$118.60 \$118.60	Y	TRAN 2686658			Y	Office15	
10	12/11/2018	FedEx	Laminated Plan Statistics Schedule (30)	\$89.70 \$89.70	Y	TRAN 2686659					
				\$1,315.47							

*R - Reconciled/*D - Disputed/*C - Carryover from prev. month

** If "N", Review must provide discrepancy Listing form

Cardholder Certification/Date: Karen L. Naccuzzi 1/10/19

Reviewer-Auditor Certification/Date: [Signature] 1/3/19

I hereby certify that the items herein were received, properly accounted for and reviewed for compliance in accordance with purchasing rules and SAO Purchase Card Payment Procedures. Discrepancies/compliance issues, if applicable, are attached listing the procedure infraction and response from cardholder to correct future compliance issues.

Page 1 of 1

Billing Cycle Dec-18

Card Holder: 

[illegible]

*R - Reconciled/*D - Disputed/*C - Carryover from prev. month

**** If "N", Review must provide discrepancy Listing form**

Reviewer/Auditor Certification:

Signature/date

I hereby certify that the items hereon were received, properly accounted for and reviewed for compliance in accordance with purchasing rules and SAO Purchase Card Payment Procedures. Discrepancies/compliance issues, if applicable, are attached listing the procedure infraction and response from cardholder to correct future compliance issues.

June 2010

MPOB Purchasing Card Review/Audit Record

Cardholder

Karen L. Neccuzzi

Billing Cycle

Dec/Jan 2019

Transaction Limit

Monthly Limit

Reviewer:

Item	Trans Date	Vendor	Brief Item Description	Transaction Amount	Itemized Receipt/Del Ticket Y / N	Tran Document Number	Receiving Report Y/N	R* D* C*	Statewide Contract Used Y / N**	State Contract Number Used	If no SWC used, Bids Sought or Required Y / N
1	12/20/2018	ATT	ATT Service 11/3/18 - 12/2/18 #287267230258 B. Taylor	\$57.36 \$57.36	Y	TRAN 2699819			Y	cell phone 13A	
2	12/20/2018	ATT	ATT Service 11/3/18 - 12/2/18 #287245126564 L. Smith	\$54.26 \$54.26	Y	TRAN 2699820			Y	cell phone 13A	
3	12/21/2018	FedEx	Overnight Ground - Huntington	\$8.36 \$8.36	Y	TRAN 2701626			Y	PKGSVS	
4	12/21/2018	FedEx	Overnight Ground - Beckley Police	\$12.22 \$12.22	Y	TRAN 2701627			Y	PKGSVS	
5	12/21/2018	FedEx	Overnight Ground - SEC	\$80.27 \$80.27		TRAN 2701628			Y	PKGSVS	
6	12/29/2018	Suddenlink	10 meg circuit 12/18/18 - 1/15/19	\$775.00 \$775.00	Y	TRAN 2705757			N		
7	12/29/2018	Suddenlink	10 meg circuit 1/16/19 - 2/15/19	\$775.00 \$775.00	Y	TRAN 2705758			N		
8	12/29/2018	Suddenlink	10 meg circuit 12/16/19 - 3/15/19	\$775.00 \$775.00	Y	TRAN 2705759			N		
9	1/11/2019	FedEx	Laminating Services - Plan Statistics Schedule (30)	\$119.70 \$119.70	Y	TRAN 2721482			N		
				\$2,657.17							

*R - Reconciled/D - Disputed/C - Carryover from prev. month

** If "N", Review must provide discrepancy listing form

Cardholder Certification/Date:

Karen L. Neccuzzi 1/5/19

Reviewer-Auditor Certification/Date:

Tate 1/11/19

I hereby certify that the items herein were received, properly accounted for and reviewed for compliance in accordance with purchasing rules and SAO Purchase Card Payment Procedures.

Discrepancies/compliance issues, if applicable, are attached listing the procedure infraction and response from cardholder to correct future compliance issues.

MPOB Purchasing Card Review/Audit Record

Cardholder

Karen L. Neccuzzi

Billing Cycle

Jan/Feb 2019

Transaction Limit

Monthly Limit

Reviewer:

Item	Trans Date	Vendor	Brief Item Description	Transaction Amount	Itemized Receipt/Del Ticket Y/N	Tran Document Number	Receiving Report Y/N	R* D* C*	Statewide Contract Used Y/N**	State Contract Number Used	If no SWC used, Bids Sought or Required Y/N
1	1/17/2019	ATT	ATT Service 12/3/18 - 1/2/19 #287267230256 B. Taylor	\$57.35 \$57.35	Y	TRAN 2729910			Y	cellphone13A	
2	1/17/2019	ATT	ATT Service 12/3/18 - 1/2/19 #287249126564 L. Smith	\$54.26 \$54.26	Y	TRAN 2729911			Y	cellphone 13A	
3	1/21/2019	Komax	Copier Click Charges 11/7/18 - 12/6/18	\$26.41 \$26.41	Y	TRAN 2735180			Y	Digicop	
4	1/22/2019	IVS Conferencing	Conference Call - 7/1/18 - 12/31/18 Invoice 43130015	\$30.61 \$30.61	Y	TRAN 2735930			N		
5	1/30/2019	WV Treasury	Office of the State Auditor Princeton Police & Fire FY 2017	\$1,282.50 \$1,282.50		TRAN 2750196			N		
6	2/6/2019	FedEx	Overnight Ground - Bluefield Police and Charleston Fire	\$23.90 \$23.90	Y	TRAN 2758497			Y	PKGSVS	
7	2/6/2019	FedEx	Overnight Ground - Logan Police & Fire Pt Pleasant Police	\$95.96 \$95.96	Y	TRAN 2758498			Y	PKGSVS	
8	2/14/2019	Komax	Copier Click Charges 1/7/19 - 2/9/19	\$7.61 \$7.61	Y	TRAN 2771280			Y	Digicop	
9	2/14/2019	Komax	Copier Click Charges 12/7/18 - 1/6/19	\$7.50 \$7.50	Y	TRAN 2771281			Y	Digicop	
				\$1,586.10							

*R - Reconciled/*D - Disputed/*C - Carryover from prev. month

Cardholder Certification/Date:

Karen L. Neccuzzi 3/5/19

** If "N", Review must provide discrepancy listing form

Reviewer-Auditor Certification/Date:

Karen M. A. 3/5/19

I hereby certify that the items herein were received, properly accounted for and reviewed for compliance in accordance with purchasing rules and SAQ Purchase Card Payment Procedures.

Discrepancies/compliance issues, if applicable, are attached listing the procedure infraction and response from cardholder to correct future compliance issues.

Page 1 of 1

Billing Cycle Feb-19

Card Holder: B. H. [Signature]

*R - Reconciled/*D - Disputed/*C - Carryover from prev. month

**** If "N", Review must provide discrepancy Listing form**

over from prev. month
Lake M. 35/19 Signature/date

June 2010



West Virginia MPOB

Pension Representative Kick-off Meeting

James Ritchie, ASA, FCA, EA, MAAA | Senior Consulting Actuary

Tom Lowman, FSA, FCA, EA, MAAA | President, Bolton Retirement

Ellen Kleinstuber, FSA, FCA, EA, MAAA | Chief Actuary

Jordan McClane, ASA, EA, MAAA | Consulting Actuary

Alan Torroella | Actuarial Analyst

Friday, March 22, 2019

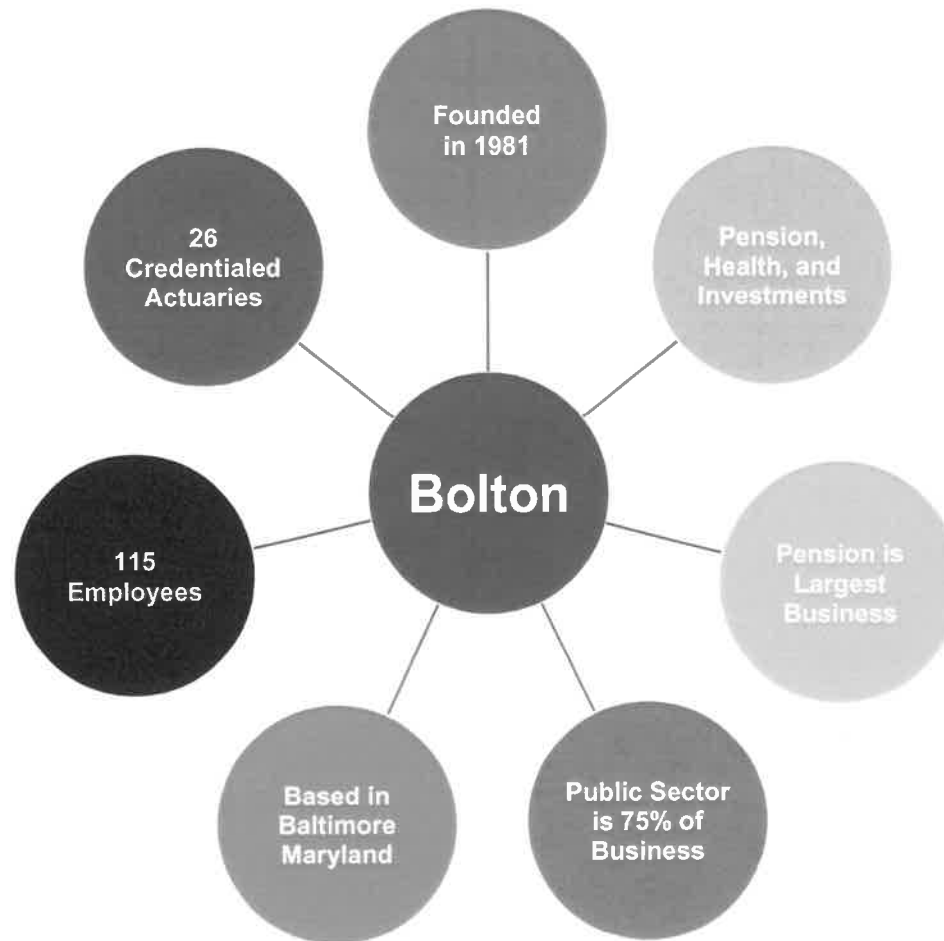
Bolton



Agenda

- Introductions/About Bolton
- ShareFile Demonstration
- Sample Data Request
- Timeline for 2018/2019
- Transition Concerns/Feedback

About Bolton

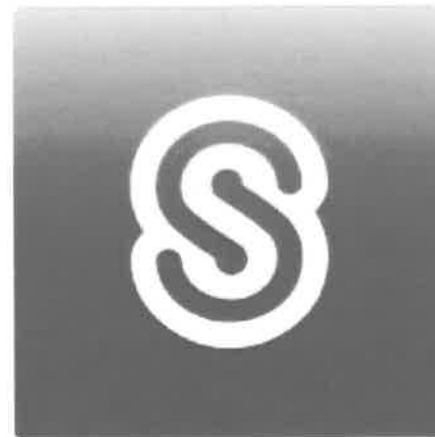


About Bolton's Actuaries

Actuary	Role	Years of Experience	Career Highlights
Tom Lowman, FSA, FCA, EA, MAAA	Public Sector Expert, President of Bolton Retirement	40	- National expert on public plan issues - Former Chair of SOA pension section council research committee - Former Chair of AAA Public Pension Plan Committee - Vice Chair of CCA Public Plans Community
Jim Ritchie, ASA, FCA, EA, MAAA	Lead Consultant	29	- Retirement consulting lead for 5 pension plans over \$1 billion including the NFL pension plans - Frequent speaker on pension topics including EA meeting - Quoted in several periodicals including the WSJ
Ellen Kleinstuber, FSA, FCA, EA, MAAA	Chief Actuary, Peer Review	26	- Chairperson of AAA Pension Committee - Board of Directors for Conference of Consulting Actuaries - Vice-chairperson of the Joint Program Committee for the Enrolled Actuaries Meeting
Jordan McClane, ASA, EA, MAAA	Project Manager	7	- Performed pension audits for large cities - Built models to quantify the impact of proposed legislation and changes to assumptions and provisions for large pension systems
Alan Torroella	Data Leader	2	Benefit calculations, program testing, and plan interpretation under contract with the Pension Benefit Guarantee Corporation

ShareFile®

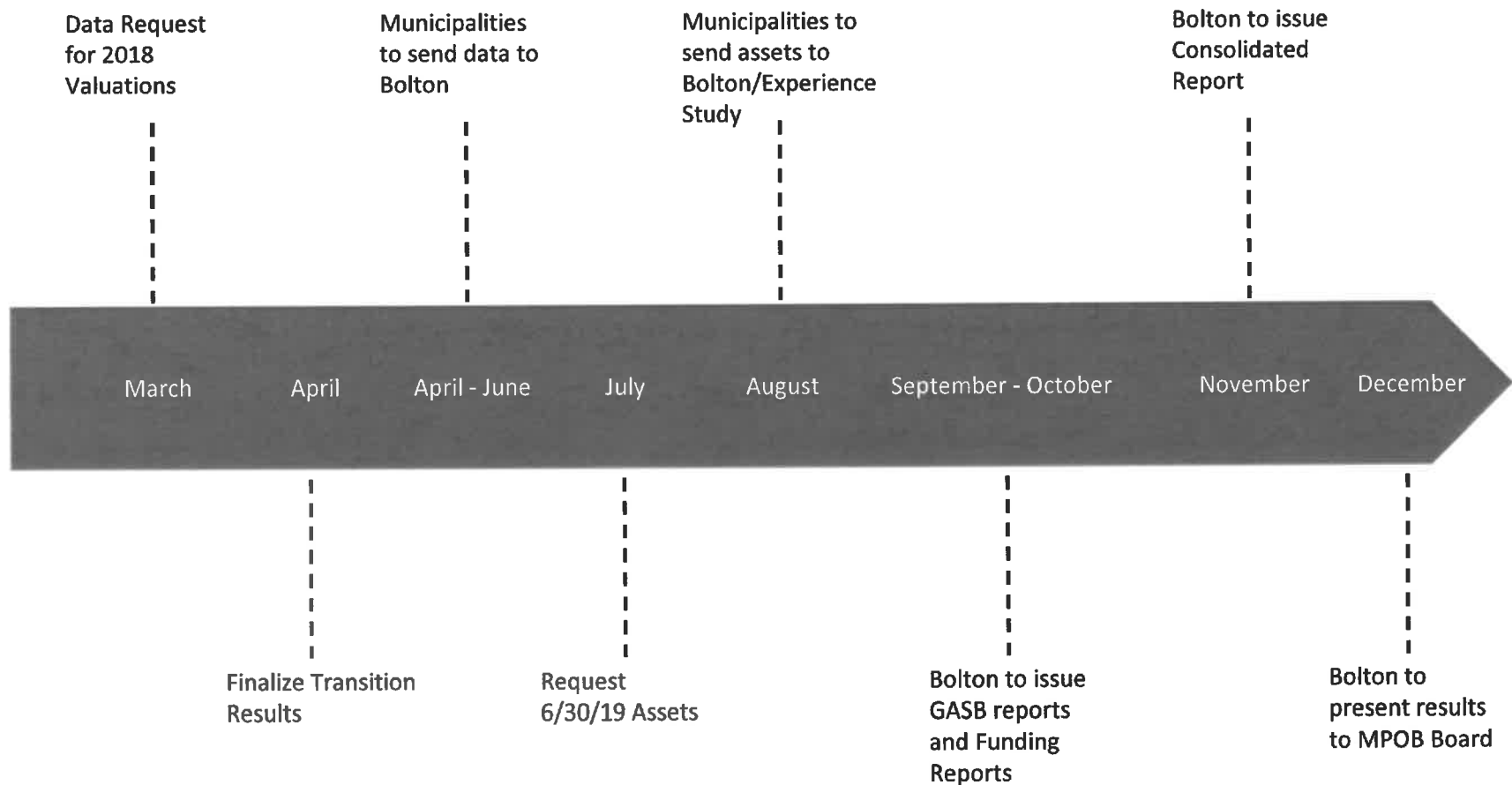
CITRIX®



Data Request

- **Goals**
 - **Collect relatively accurate information to provide a reasonable assessment of the financial status of the plan**
 - **Does not need to be perfect, but need to make a reasonable effort**
- **Information**
 - **Information needed to calculate the benefit (i.e. compensation and service)**
 - **Demographic information (i.e. date of birth and gender)**
 - **Value retiree benefits and COLA (i.e. original benefit and current benefit)**
- **Asset information**
 - **Trying to consolidate three requests into one**
- **New Information**
 - **General information tab in spreadsheet**
 - **Unused leave**
 - **Partial (decimal) years of service**
- **Timing**
 - **Request in March (earlier in future years), send back by end of July**
 - **Valuation processing after receipt of final data takes approximately 8 weeks**
- **Sample**

Timeline



Feedback – Open Forum



AGENDA
Municipal Pensions Oversight Board
Meeting of the Board Members

June 17, 2021 – 1:00 P.M.

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

- I. Call to Order and Roll Call
- II. Approval of Minutes of Meeting on March 18, 2021
- III. Old Business
 - A. Legal
 - 1. Terrence Brown v. MPOB, Blair Taylor, City of Weirton, Harold Miller
 - B. Legislation
 - 1. HB2829
 - C. Compliance Review Updates
 - 1. Submitted Plans of Action Addressing Compliance Review Recommendations
 - a) Bluefield Policemen's Pension, Charleston Firemen's Pension, Charleston Policemen's Pension, Moundsville Policemen's Pension, Princeton Firemen's Pension, South Charleston Policemen's Pension, St. Albans Firemen's Pension, St. Albans Policemen's Pension, Vienna Policemen's Pension
 - 2. Plans of Action Extensions
 - a) Wheeling Firemen's Pension and Wheeling Policemen's Pension
 - 3. Discussion
- IV. New Business
 - A. Legal
 - 1. Beckley Firemen's and Beckley Policemen's Pension notice of intent to sue
 - B. Retirement Calculation Percentages
 - C. Compliance Reviews
 - 1. Plans of Action Requiring Board Action
 - a) Weirton Policemen's
 - b) Beckley Firemen's Pension, Beckley Policemen's Pension, Dunbar Firemen's Pension, Dunbar Policemen's Pension, Star City Policemen's Pension, Oak Hill Policemen's Pension, and Princeton Policemen's Pension.
 - c) Discussion
 - D. P-Card Expenditures – March, April, and May 2021
 - E. Personnel
 - F. Executive Director's Report
- V. Public Comments
- VI. Adjournment

Pursuant to recommendations made by the West Virginia Ethics Commission, the June 17th meeting will be closed to the public for in-person attendance. Anyone wishing to attend via telephone may call 304-356-2422 to obtain call-in instructions.

MUNICIPAL PENSIONS OVERSIGHT BOARD
DRAFT Minutes of Meeting
June 17, 2021

The Municipal Pensions Oversight Board (MPOB) met on June 17, 2021, at 1:00 p.m. at 301 Eagle Mountain Road, Suite 251, Charleston, West Virginia. The Chair, Mr. Neddo, welcomed everyone and called the meeting to order, noting that a quorum was present.

ATTENDEES

Board Members:

- Travis Blosser, present
- Jeffrey Fleck, present
- Emily Lambright, present, via call
- David Lanham, present
- Sarah Long, present (*by virtual meeting*)
- Jason Matthews, present (*by virtual meeting*)
- Stephen Neddo, present
- Michael Payne, present, via call
- Craig Slaughter, absent

Staff:

- Vonda Matthews, Administrative Assistant, present
- Michelle Painter, Chief Financial Officer, present
- Les Smith, Accountant, present
- Blair Taylor, Executive Director, present

General Counsel:

- Kelli Talbott, WVAG Office, present (*by virtual meeting*)

Guests:

- Lou Ann Cyrus, Shuman McCuskey Slicer Law, present
- Jordan McClane, Consulting Actuary, Bolton, present (*by virtual meeting*)
- Jim Ritchie, Senior Consulting Actuary, Bolton, present (*by virtual meeting*)

Minute Taker:

- Vonda Matthews

Approval of Minutes

Mr. Neddo noted that there was a quorum present. Ms. Matthews called the roll.

- Minutes for the MPOB meeting on March 18, 2021, were presented for approval. Mr. Neddo asked for a motion to approve the minutes.

MOTION: Motion to approve the minutes as presented. Moved by Mr. Blosser; Seconded by Mr. Matthews; Passed unanimously:

RESOLVED, that the minutes of the March 18, 2021 Municipal Pensions Oversight Board meeting be approved as presented.

Executive Session

At 1:03 pm Mr. Neddo asked for a motion to go into Executive Session as provided for in the Open Meetings Act, under **W.Va. §6-9A-4(b)(12)**, to discuss legal issues.

MOTION: Motion to enter into Executive Session. Moved by Mr. Blosser; Seconded by Mr. Fleck; Passed unanimously:

RESOLVED, that the Board enter into an Executive Session as provided for in W.Va. §6-9A-4(b)(12) to discuss legal issues. Mr. Ritchie, Mr. McLane, Ms. Matthews, Mrs. Painter and Mr. Smith left the meeting during the executive session.

At 1:49 pm Mr. Neddo asked for a motion to return to regular business stating that no votes had been taken during executive session.

MOTION: Motion to return to regular business. Moved by Mr. Fleck, Seconded by Mr. Matthews; Passed unanimously:

RESOLVED, that the Board return to regular business. Mr. Ritchie, Mr. McLane, Ms. Matthews, Mrs. Painter and Mr. Smith joined the meeting after the executive session.

OLD BUSINESS

Legal

- Terence Brown v. Blair Taylor, City of Weirton, Harold Millerⁱⁱ
Mrs. Cyrus of Shuman McCuskey Slicer gave a follow-up to the March meeting regarding the case. She filed a motion to dismiss the case on behalf of the MPOB. On April 12, 2021, the court issued an order ruling, agreeing and dismissing the MPOB from the matter without prejudice. The City of Weirton and Mayor Harold Miller also moved dismissal. Mayor Miller was granted a dismissal, but the City was not and remains in the case. Mrs. Cyrus stated that we are in a holding pattern waiting to see if Mr. Brown files another suit. Mrs. Cyrus and Mrs. Talbott left the meeting at 1:58.

Legislative

- HB2829
 - Mr. Taylor stated HB2829 which allows for Actuarial Smoothing has been signed by the Governor. The Experience Study that was adopted last summer and the smoothing component that was adopted last fall will all be effective in the Actuarial Studies that will be issued Fall of 2021.

Compliance Review Updates

- Mrs. Painter noted the list of Pension Boards that have submitted a plan of action.
 - Bluefield Policemen's Pension, Charleston Firemen's Pension, Charleston Policemen's Pension, Moundsville Policemen's Pension, Princeton Firemen's Pension, South Charleston Policemen's Pension, St Albans Firemen's Pension, St. Albans Policemen's Pension, Vienna Policemen's Pension.
 - Mrs. Painter noted that she has requested that Moundsville Policemen's Pension resubmit their information in Excel format.
 - Mr. Taylor noted that the Vienna Policemen's Pension board was informed of the overpayment for a member. They have reduced the amount the member is receiving

to the correct amount which has decreased his monthly pension by around \$800 per month. The city of Vienna has filed a claim with their insurance agency to repay over payments to date and to continue to pay overpayments for that member. Bolton has provided an overpayment recoupment calculation based on the member's life expectancy which comes to repayments of \$76.42 per month for the rest of his life. This information has been provided to the Mayor of Vienna and the pension board secretary.

Discussion: Mr. Fleck asked how long an average Compliance Review takes to complete. Mrs. Painter explained that if she would have all the completed information in a format she could use that it would take her three to four days to complete a compliance review. Mr. Taylor noted that in most cases the information is slow to come in. Mrs. Painter noted that she and Mr. Smith have to manually enter payroll figures that are not sent in Excel format.

Mr. Fleck asked what percentage of the retirement calculations are reviewed. Mrs. Painter stated that it depends on the number of retirees for the plan she is reviewing. Sometimes there is only one and then she will review a previous one. She said that if there are as many as ten then she will review three to four.

- Mrs. Painter gave an update on Wheeling Police and Fire stating that an extension for the deadline of recalculations was granted until October 31, 2021. She has been in communication with their finance department, and they are currently working on the recalculations.

NEW BUSINESS

Legal

- Mr. Neddo noted that Beckley Firemen's and Beckley Policemen's Pension notice of intent to sue was discussed in Executive session.

Retirement Calculation Percentages

- Mr. Neddo stated that the Board needs to come to a determination about the use of fractional years to calculate retirement benefits.

MOTION: Motion to seek an Attorney General's opinion regarding the use of fractional years (percentages of years) in calculating retirement benefits. Moved by Mr. Fleck, Seconded by Mr. Blosser; Passed unanimously:

RESOLVED, that the Board will seek an Attorney General's opinion clarifying the law regarding the use of fractional years (percentages of years) to calculate retirement benefits with the understanding that Beckley Policemen's Pension and Beckley Firemen's Pension hold off on pursuing litigation until an AG opinion is received.

Compliance Reviews

- Mr. Taylor presented Plans of Action Requiring Board action.
 - He noted that the City of Weirton has submitted a plan of action stating they will follow the law regarding calculations moving forward but have no plan to go back and recalculate previous pensions unless directed to do so.
 - Mr. Taylor stated that Dunbar Firemen's Pension, Dunbar Policemen's Pension, Star City Policemen's Pension, Oak Hill Policemen's Pension, and Princeton Policemen's Pension gave no response to the compliance review request for a plan of action.

- Mr. Taylor made a recommendation to the Board to issue orders, pursuant to W. Va. Code §8-22-27a(a) which requires the Oversight Board to order the pension fund board of trustees to correct the errors found during the Compliance Reviews.

MOTION: Motion to send an order directing the Weirton Policemen's Pension Board, the Dunbar Firemen's Pension Board, the Dunbar Policemen's Pension Board, the Oak Hill Policemen's Pension Board, the Star City Policemen's Pension Board, and the Princeton Policemen's Pension Board to correct the errors found during the Compliance Reviews. Moved by Mr. Payne, Seconded by Mr. Blosser; Passed unanimously:

RESOLVED, that the Board will send an order to each pension board of trustees directing the errors be corrected.

PCard Expenditures

- Mr. Neddo stated that all received the information for review and requested a motion to approve.

MOTION: Motion to approve the PCard expenditures as presented. Moved by Mr. Matthews; Seconded by Mr. Blosser; Passed unanimously:

RESOLVED, that the PCard expenditures for March, April, and May of 2021, are approved as presented.

Personnel

- Administrative Assistant
 - Mr. Taylor reminded all that Vonda Matthews has resigned effective Friday, June 18. He thanked her and wished her well. Ms. Matthews thanks the Board and the staff. Mr. Fleck and Mr. Neddo noted some contributions Ms. Matthews made, some of which should continue in the future.
 - Mr. Taylor stated the Administrative position has been posted. He requested the Board approve a salary range for the position of \$35 - \$55K. The Board approved.

Executive Director's Report

- Mr. Taylor presented. He directed all to the information provided in the Board Packet. Items noted were:
 - Disabilities
 - Five members will be evaluated in an Independent Medical Examination (IME) the first week of July.
 - Midwest IME is having difficulty finding specialized physicians to perform the IMEs.
 - Mr. Taylor suggested looking at the code and developing legislation that would require medical schools in WV to perform the IMEs if the Midwest is unable to find a physician to do so.
 - Office Lease
 - Mr. Taylor stated he has been going through the process of renewing the lease at an increase of \$.41 per square foot which was preapproved five years ago.
 - MPOB Website
 - Website rolled out yesterday and has some kinks that need to be worked out.
 - Presentation to the Joint Committee on Retirement
 - They asked for a definition of "base salary", and "overtime and other remuneration" to be brought to them during their September Interim meetings.

- Reginal Trustee Training
 - One training will be in Charleston and one in Fairmont.
 - We have received 94 registrations.
 - Bolton will be available in person or virtually for the training.
- Legislative
 - All MPOB bills submitted last year were passed and are now implemented.

Mr. Taylor thanked the Board for their time and effort and for backing up the staff in the work that they do.

Public Comments

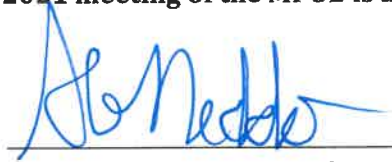
- Mr. Neddo asked if there were any comments. No members of the public were in attendance.

ADJOURNMENT

- Mr. Neddo called for a motion to adjourn:

*MOTION: Motion to adjourn. Moved by Mr. Blosser; Seconded by Mr. Fleck;
Passed unanimously:*

RESOLVED, that the June 17, 2021 meeting of the MPOB is adjourned.



Stephen Neddo, Chairman

Minutes approved 9/16/21
(date)

Referenced documents can be found in the Board Meeting Packet.

ⁱ MPOB Minutes – March 18, 2021

ⁱⁱ Terence Brown v. Blair Taylor, City of Weirton, Harold Miller

AGENDA
Municipal Pensions Oversight Board
Meeting of the Board Members

September 16, 2021 – 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 17, 2021
- III. Election of Secretary/Treasurer
- IV. Old Business
 - A. Legal - Beckley Firemen's and Beckley Policemen's Pension notice of intent to sue
 - 1. Status of Attorney General's Opinion Letter
 - B. Legislation
 - 1. Definition of "base salary" and "overtime and other remuneration" to add to §8-22-16(d)
 - 2. Suggestion to add language to §8-22-24(d) concerning non-duty permanent disability retirees and responsibilities Pension Boards of Trustees responsibilities
 - C. Compliance Review Updates
 - 1. Submitted Plans of Action Addressing Compliance Review Recommendations
 - a) Charleston Firemen's Pension, St. Albans Firemen's Pension, South Charleston Policemen's Pension, and Vienna Policemen's Pension and Bluefield Firemen's Pension.
 - 2. Plans of Action Extensions
 - a) Wheeling Firemen's Pension and Wheeling Policemen's Pension
 - 3. Plans of Action Past Due
 - a) Parkersburg Policemen's Pension and Parkersburg Firemen's Pension
 - D. Orders Issued
 - 1. Submitted Plans of Correction Addressed in Order
 - a) Dunbar Firemen's Pension, Dunbar Policemen's Pension, Oak Hill Policemen's Pension, Princeton Policemen's Pension, Star City Policemen's Pension, and Weirton Policemen's Pension
- V. New Business
 - A. Pension Obligation Bond Presentation – Piper Sandler and Stifel and City of Wheeling
 - B. FY2021 Independent Audit Draft
 - C. Legal
 - 1. Todd Lewis Taylor vs. The City of Charleston, West Virginia Policemen's Pension and Relief Fund
 - D. Investments
 - E. Personnel
 - F. P-Card Expenditures – June and Aug 2021
 - G. Executive Director's Report
- VI. Public Comments
- VII. Adjournment

Pursuant to recommendations made by the West Virginia Ethics Commission, the September 16th meeting will be closed to the public for in-person attendance. Anyone wishing to attend via telephone may call 304-356-2422 to obtain call-in instructions.

MUNICIPAL PENSIONS OVERSIGHT BOARD

Minutes of Meeting

September 16, 2021

The Municipal Pensions Oversight Board (MPOB) met on September 16, 2021, at 1:00 p.m. at 301 Eagle Mountain Road, Suite 251, Charleston, West Virginia. The Chair, Mr. Neddo welcomed everyone and called the meeting to order, noting that a quorum was present. Mrs. Miller called the roll.

ATTENDEES

Board Members:

- Travis Blosser- present
- Jeffrey Fleck- present
- Emily Lambright-present virtually
- David Lanham-absent
- Sarah Long- present
- Jason Matthews-present virtually
- Stephen Neddo-present
- Michael Payne-present
- Craig Slaughter- present

Staff:

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

General Counsel:

- Kelli Talbott, WVAG Office, present virtually

Guests:

- Anthony Carpenter, Brown Edwards- present
- Rob Adams, Brown Edwards-present
- Jordan McClane, Consulting Actuary, Bolton- present virtually
- Jim Ritchie, Senior Consulting Actuary, Bolton-present
- Robert Herron, City Manager, City of Wheeling-present virtually
- Joe Nassif, Managing Director, Piper Sandler & Co.-present virtually
- Omar Daghestani, Managing Director, Stifel, Nicolaus & Company, Inc.- present virtually
- Rushda Mustafa, Vice President, Stifel, Nicolaus & Company, Inc.- present virtually
- John Stump, Esq., Steptoe & Johnson PLLC-present virtually
- Fred Williams, Esq., Snell & Wilmer LLP-present virtually
- Carrie Cecil, Esq., Frost Brown Todd LLC-present virtually

Minute Taker:

LaRuth Miller

Approval of Minutesⁱ

- Minutes for the MPOB meeting on June 17, 2021, were presented for approval. Mr. Neddo asked for a motion to approve the minutes.

MOTION: Motion to approve the minutes as presented. Moved by Mr. Payne; Seconded by Mr. Fleck; Passed unanimously:

RESOLVED, that the minutes of the June 17, 2021, Municipal Pensions Oversight Board meeting be approved as presented.

Election of Secretary/Treasurer

Mr. Neddo asked for a motion to elect Michelle Painter as Secretary/Treasurer.

MOTION: Motion to elect Michelle Painter as Secretary/Treasurer. Moved by Mr. Blosser; Seconded by Mr. Slaughter.

RESOLVED, that Mrs. Michelle Painter was elected as Secretary/Treasurer for a one year term.

OLD BUSINESS

Legal

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

Mr. Taylor has received a letter from Toriseva Law on Tuesday, September 7 to be added as an attachment to the MPOB's letter requesting an Attorney General's Opinion on Fractional Shares. Mr. Taylor will have the letter completed in the next 10 days and once reviewed, by Ms. Lou Ann Cyrus of Shuman McCuskey Slicer PLLC, he will send it to Attorney General Morrissey.

Legislation

- Mr. Taylor received a request from the Joint Committee on Pensions & Retirement, Senator Plymale, for a definition of base salary and overtime and other remuneration to add to §8-22-16(d). Mr. Taylor and Mrs. Painter completed the request and provided the definition to the Joint Committee on Pensions & Retirement on September 13, 2021.
- Mr. Fleck asked about subsistence pay for dry cleaning uniforms or cell phone bills. Mrs. Painter has seen reimbursement for gym memberships.
- Mr. Taylor brought to the Board's attention that several pension secretaries have non-duty permanent disability retirees not providing tax returns to comply with law §8-22-24(d). Pensions continue to be paid without further reviews. Their attorneys are stating there is not a law that states there can be penalties for not reporting tax returns. The Pension secretaries want language added to code to hold pension in abeyance until tax return is submitted. Mr. Fleck has in the past dealt with retirees not submitting tax returns and will follow up with Mr. Taylor with how it was handled.

Compliance Review Updates

- Mrs. Painter presented. She directed all to the Compliance Review letters provided.

Compliance Reviews were given on the following with items of non-compliance noted.

- Charleston Firemen's Pension is currently seeking a CPA for recalculations for their plan
- St. Albans Firemen's Pension
 - CPA was hired to recalculate their plans and have submitted the recalculations and what the corrected amounts were. They had 15 members that are mostly survivors that they do not have the payroll data for that could not be recalculated. Mrs. Painters asked the Board if they wanted her to take any action or had any suggestions. Mr. Taylor suggested that St. Albans provide a certified letter stating that they do not have access to the payroll data. Mrs. Painter stated she could research when the retirement dates were to see if it is possible that St. Albans would not be able to access the payroll data. Mr. Blosser suggested any letter be signed by the Mayor, the Chief Financial Officer of the municipality, and the Pension Secretary.
- The MPOB has provided the South Charleston Policemen's Pension COLA history for each of its retirees for corrections by the plan. The MPOB continues to work on COLA for each of the current survivors in the plan.
- Vienna Policemen's Pension
 - Recalculations discovered that there was a disability overpayment of over \$800.00 a month. The person retired after July 2017, so the municipality did not have to agree to the overpayments. Vienna reached out to the member to offer a settlement from the municipality's insurance. There has been no response from the member. The monthly pension has been corrected
- Bluefield Firemen's Pension
 - Received their plan of action on September 3, 2021
- Moundsville Policemen's Pension
 - Their recalculations have been submitted. Mrs. Painter took a sample and recalculated the data and had the same results. Mrs. Painter worked with the Pension Secretary to calculate the final amount to be paid to the 8-9 members that were underpaid. The approximate amount is \$50,000. There was one overpayment. There was 1 survivor that was overpaid and another member that was overpaid volunteered to pay her portion back.
- Plans of Action Extensions
 - Wheeling Firemen's and Wheeling Policemen's Pension have been granted an extension for October 31, 2021 and have recently requested an extension for December 31, 2021. Mr. Taylor requested monthly updates in 2020 and has not received any.
 - Wheeling Firemen's and Wheeling Policemen's Pension has hired a CPA and provided them with payroll data but has not provided the payroll data to MPOB.
 - Mr. Taylor suggested that there should be more parameters for extension such as monthly updates.
 - The Municipal Pensions Oversight Board (MPOB) discussed a letter received from Bradley K. Shafer, Esq., counsel for the Wheeling Policemen's Pension Board of Trustees.
 - MPOB members discussed the request and passed unanimously the following motion.

MOTION: Motion to approve Wheeling Policemen's Pension and Relief Fund and the Wheeling Firemen's Pension and Relief Fund be granted additional extensions with the requirement that there be written updates provided to the MPOB on the first day of each month through the end of the extension on December 31, 2021. Moved by Mr. Blosser; seconded by Mr. Payne; Passed unanimously:

RESOLVED, that Wheeling Policemen's Pension and Relief Fund and the Wheeling Firemen's Pensions and Relief Fund be granted additional extensions with requirement that there be written updates provided to the MPOB on the first day of each month through the end of the extension on December 31, 2021.

- Plans of Action Past Due
 - Parkersburg Policemen's Pension and Parkersburg Firemen's Pension plan of action was due August 1, 2021 and MPOB has not received a response to the plan of action or a request for an extension. The City of Parkersburg sent a letter to MPOB that the review will be discussed at their next meeting on September 21, 2021.
- Orders Issued
 - All six Pension Plans have responded to their orders and have all agreed to follow the orders.
 - Dunbar Policemen's Pension is currently seeking a CPA firm to complete the recalculations
 - Dunbar Firemen's Pension is currently reviewing their calculations and have agreed to follow the orders issued to them.
 - Oak Hill Policemen's Pension order is complete
 - Princeton Policemen's Pension order is complete
 - Star City Policemen's Pension has submitted a plan of action. Do not have access to the prior payroll system to go back and recalculate. Mrs. Painter spoke with the City and the former finance person could not retrieve the prior payroll data. Mrs. Painter suggested that they follow the same protocols as St. Albans and provide a certified statement that they do not have access to prior payroll data.
 - Weirton Policemen's Pension will have their calculations by October 1, 2021.

NEW BUSINESS

Pension Obligation Bond Presentationⁱⁱⁱ

- Pension Obligation Bonds (POBs) Presentation was presented by Piper Sandler and Stifel and City of Wheeling.
 - Joseph Nassif of Piper Sandler started the presentation by introducing his team that has been developing the pension obligation bond proposal for municipalities in WV.
 - Mr. Robert Herron, City Manager for the City of Wheeling then gave a brief introduction, thanking the MPOB for allowing the presentation. City of Wheeling closed its pension plans six years ago and believes pension obligation bonds could assist the City in locking down its financial obligations in paying off the obligation in the future.
 - Omar Daghestani then presented a new iteration of pension obligation bonds that have rates that are attractive to municipalities now. This year alone, there are 32 POBs that Mr. Daghestani has worked on to fruition. Mr. Daghestani also discussed common risks associated with issuing POBs
 - Rushda Mustafa described how WV municipalities could capitalize on POBs to generate savings for the municipality long-term. This plan also contemplates a "contingency reserve fund" as a tool that is positive from the bond rating agencies perspective.

- John Stump discussed how a proposal will be provided to the Legislature to allow POBs to be sold by municipalities. There are several areas of the Code which will need changes for this to occur.
- Proposed change for the 1% premium Tax be redirected to pay bond payments instead of to pension plans.
- The MPOB's actuary, Jim Ritchie of Bolton USA made the comment that the discount rate in the actuarial valuation report is not considered an interest rate and that to compare the two is an apples to oranges comparison. The second question Mr. Ritchie asked, how will the 70 million of bonds be invested? Mr. Daghestani indicated the rating agencies do consider an assumed rate of return published in an actuarial valuation report to be an interest rate. Funds at bond closing would be invested with the pension fund with its other investments which would include equities, bonds, and other long-term investments. The proposers of this plan are asking whether between now and 2049 will the fund long-term have a 3.5% or greater return. If so, there is success. If you have a year that does not meet the 3.5% year, the reserve contingency fund would be able to be used to make up any loss.
- The Oversight Board members then had a discussion on the premium tax allocation and how it is currently distributed to firemen's and policemen's pension plans. Mr. Taylor gave the members a brief overview on how pension plans receive the state aid now. The municipality certifies the member contributions have been made to the plan, the municipality has contributed funds to the plan and the municipality has submitted an annual report to the MPOB. Only after each of these items have been certified and completed will the MPOB release the premium tax allocation to the plan. Mr. Slaughter concurs that the incentive structure forces the municipality to meet its financial obligation before receiving the state funds. The MPOB's current methodology for a municipality's plan to receive funding from the state needs to be continued.
- Mr. Slaughter suggests the MPOB remain neutral on the sale of POBs as long as the MPOB can make sure the premium tax is paid to plans to lower unfunded liability of plans first.
- Mr. Blosser indicated the POB group would likely come back to the MPOB for our blessing in the sale of POBs. The POB group is looking for the MPOB to be an approver of Class III and IV cities. Mrs. Painter suggested and members agreed the MPOB should provide education, but not be a decider on who could and who could not sell POBs. Mr. Blosser also agreed the MPOB should not be the decider.

FY2021 Independent Audit Draft

- Mrs. Painter introduced Anthony Carpenter of Brown Edwards who presented the audit report. Mr. Carpenter noted the following:
 - No difficulties were encountered in performing and completing the audit.
 - No material misstatements were identified during the audit.
 - No audit adjustments were made.
 - This is a clean audit.
 - No findings
- Mr. Carpenter asked the Board if there were any questions of Brown Edwards. There were none.
- Mr. Neddo thanked Brown Edwards for the audit presentation.

Legal

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

Fundⁱⁱ

- MPOB has asked to intervene in the case. Judge Webster entered an order allowing the MPOB to intervene. Claimant states the policemen's pension had calculated 19 retirements without using the 20% limiter and thus his retirement should be calculated in the same manner. He claims he had other job offers and detrimentally relied that this method would be used to calculate his pension when he retired. When he sought to retire, he was told his retirement would be calculated in accordance with Code which he claims reduced his retirement benefits. His claim is that his pension should have been calculated the same way the other 19 retirements were calculated. He is claiming the actions of the local pension board of trustees was constructive fraud and he is seeking his retirement be calculated similar to the previous 19 calculations that did not follow the statutory provisions of the code. In addition, he is seeking damages against the local plan.
- Ms. Talbott sought an opinion from BRIM since there was a damage claim in the underlying complaint. The question being Would BRIM be providing counsel? BRIM has indicated they are not involved since the claimant is not seeking damages from the MPOB. The MPOB will continue as an intervenor.
- We have received a discovery request for any audits the MPOB has performed on the Charleston Policemen's Pension Fund and will comply with the request by the due date.

Investments

- Mrs. Painter indicated investment earnings two years ago for the calendar year were approximately \$600,000 and were enough to cover the bulk of our administrative expenses. In calendar year 2020, our investment earnings were approximately \$50,000, an amount which does not cover our expenses. Mrs. Painter suggested to the Board that it consider carving out a portion of the \$29 million balance and investing \$10 million in another Board of Treasury Investments strategy. The Executive Director currently has the authority to invest in any of the Board of Treasury Investment funds. Mrs. Painter will send out the current makeup of the Short-Term Bond Fund for review by the members. If no one objects to the transfer, staff will make a transfer of \$10 million from the WV Money Market Pool to the WV Short-Term Bond Pool at the first available opportunity.

Personnel

- Mr. Taylor introduced LaRuth Miller to the Board. Mrs. Miller is the new Administrative Assistant/Procurement Officer. Mrs. Miller came to the MPOB from the City of Charleston's Sanitary Board, having worked there 10 plus years. Her position there was that of a Customer Service Supervisor. Prior to that, she worked for BB&T as a teller. She has an Associate's Degree in Applied Secretarial Science from WV State University.

PCard Expenditures

- Mr. Neddo stated that all received the information for review and requested a motion to approve.

MOTION: Motion to approve the June and August 2021 PCard expenditures as presented. Moved by Mr. Payne; Seconded by Mr. Blosser; Passed unanimously:

RESOLVED, that the PCard expenditures for June and August of 2021, are approved as presented.

Executive Director's Report

- Mr. Taylor presented. He directed all to the information provided in the Board Packet. Items noted were:
 - There are two regional training events for pension trustees, one on October 5th in Fairmont, WV and one on October 20th in Charleston, WV. Approximately 70 people are signed up for each training session.
 - In the upcoming future I anticipate ramping up travel to local pension meetings to continue training those unable to attend the regional sessions
 - The State of WV is transitioning to Google products for its business suite of software programs. The MPOB staff will learn these new systems.
 - The September 2021 Allocation of state premium tax monies was made and is available on the MPOB website.
 - The website was recently updated by Ms. Vonda Matthews prior to her leaving the office. Mrs. Miller will become the office's webmaster in time and continue the development of the site.
 - The spreadsheet showing pensions payments was presented as well as a spreadsheet showing the first and second quarterly fees charged by investment advisors to pension plans.
 - The Preliminary 7/1/2020 Valuation Results from Bolton Partners provides a snapshot of what the actuarial studies will show in the aggregate when they are released later this month. This data is one fiscal year in arrears as the collections for the actuarial studies lag by one fiscal year.
 - The retroactive DROP summation as well as the DROP letters for each plan (Beckley Fire, Saint Albans Fire, and Wheeling Fire) were presented and now will be provided to the Chairs of the respective Pension Committees of the Legislature.

ADJOURNMENT

Mr. Neddo called for a motion to adjourn:

*MOTION: Motion to adjourn. Moved by Mr. Payne; Seconded by Mr. Blosser;
Passed unanimously:*

RESOLVED, that the September 16, 2021, meeting of the MPOB is adjourned.



Stephen Neddo, Chairman

Minutes approved 12/16/2021
(date)

Referenced documents can be found in the Board Meeting Packet.

ⁱ MPOB Minutes – June 19, 2021

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

ⁱⁱⁱ Pension Obligation Bond Presentation

AGENDA
Municipal Pensions Oversight Board
Meeting of the Board Members

December 16, 2021 – 1:00 P.M.

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

- I. Call to Order and Roll Call
- II. Approval of Minutes of Meeting on September 16, 2021
- III. Old Business
 - A. Legal - Beckley Firemen's and Beckley Policemen's Pension notice of intent to sue
 - 1. Status of Attorney General's Opinion Letter
 - 2. Todd Lewis Taylor vs. The City of Charleston, West Virginia Policemen's Pension and Relief Fund
 - 3. Terence F Brown vs. WV Municipal Pensions Oversight Board, Blair Taylor, City of Weirton & Harold E. Miller
 - B. Legislation
 - 1. Definition of "base salary" and "overtime and other remuneration" to add to §8-22-16(d)
 - 2. Proposed change to allow retirees of "closed" plans to vote in the election of trustees §8-22-18
 - 3. Proposed change to require non-duty disability pension to be held in abeyance if the member fails to provide his/her tax return by April 15 of any year §8-22-24(d)
 - 4. Proposed change of existing DROP evaluations from annual to once every 5 years §8-22-25A (suggested by Bolton)
 - 5. Propose same protections for municipal police and fire pensions as exists in state pension plans against garnishments, assignments, attachments, etc. The one exception allowed are qualified domestic relations orders as defined in Section 414(p) of [26 USCS 414 (p)] of the Internal Revenue Code
 - C. Compliance Review Updates
 - 1. Submitted Plans of Action Addressing Compliance Review Recommendations
 - a) Charleston Firemen's Pension, Charleston Policemen's Pension, St. Albans Firemen's Pension, South Charleston Policemen's Pension, Vienna Policemen's Pension, Parkersburg Policemen's Pension, Parkersburg Firemen's Pension, Weirton Policemen's Pension, Dunbar Firemen's Pension, Dunbar Policemen's Pension,
 - 2. Plans of Action Extension Requests
 - a) Wheeling Firemen's Pension and Wheeling Policemen's Pension
 - b) Huntington Policemen's Pension
- IV. New Business
 - A. Personnel
 - B. P-Card Expenditures – June and Aug 2021
 - C. Executive Director's Report
- V. Public Comments
- VI. Adjournment

Pursuant to recommendations made by the West Virginia Ethics Commission, the September 16th meeting will be closed to the public for in-person attendance. Anyone wishing to attend via telephone may call 304-356-2422 to obtain call-in instructions.

AMENDED AGENDA
Municipal Pensions Oversight Board
Meeting of the Board Members

December 16, 2021 – 1:00 P.M.

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

- I. Call to Order and Roll Call
- II. Approval of Minutes of Meeting on September 16, 2021
- III. Old Business
 - A. Legal - Beckley Firemen's and Beckley Policemen's Pension notice of intent to sue
 - 1. Status of Attorney General's Opinion Letter
 - 2. Todd Lewis Taylor vs. The City of Charleston, West Virginia Policemen's Pension and Relief Fund
 - 3. Terence F Brown vs. WV Municipal Pensions Oversight Board, Blair Taylor, City of Weirton & Harold E. Miller
 - B. Legislation
 - 1. Definition of "base salary" and "overtime and other remuneration" to add to §8-22-16(d)
 - 2. Proposed change to allow retirees of "closed" plans to vote in the election of trustees §8-22-18
 - 3. Proposed change to require non-duty disability pension to be held in abeyance if the member fails to provide his/her tax return by April 15 of any year §8-22-24(d)
 - 4. Proposed change of existing DROP evaluations from annual to once every 5 years §8-22-25A (suggested by Bolton)
 - 5. Propose same protections for municipal police and fire pensions as exists in state pension plans against garnishments, assignments, attachments, etc. The one exception allowed are qualified domestic relations orders as defined in Section 414(p) of [26 USCS 414 (p)] of the Internal Revenue Code
 - 6. * Potential legislation to make the MPOB responsible for calculating pensions, disability pensions, survivor benefits, and COLAs and pursue a change in the formula used to calculate retirement pensions.
 - C. Compliance Review Updates
 - 1. Submitted Plans of Action Addressing Compliance Review Recommendations
 - a) Charleston Firemen's Pension, Charleston Policemen's Pension, St. Albans Firemen's Pension, South Charleston Policemen's Pension, Vienna Policemen's Pension, Parkersburg Policemen's Pension, Parkersburg Firemen's Pension, Weirton Policemen's Pension, Dunbar Firemen's Pension, Dunbar Policemen's Pension,
 - 2. Plans of Action Extension Requests
 - a) Wheeling Firemen's Pension and Wheeling Policemen's Pension
 - b) Huntington Policemen's Pension
- IV. New Business
 - A. Personnel
 - B. P-Card Expenditures – June and Aug 2021
 - C. Executive Director's Report
- V. Public Comments
- VI. Adjournment

* *Item 6 under Legislation was added to the original agenda less than three days prior to the meeting.*

MUNICIPAL PENSIONS OVERSIGHT BOARD

Minutes of Meeting

December 16, 2021

The Municipal Pensions Oversight Board (MPOB) met on December 16, 2021, at 1:00 p.m. at 301 Eagle Mountain Road, Suite 251, Charleston, West Virginia. The Chair, Mr. Neddo welcomed everyone and called the meeting to order, noting that a quorum was present. Mrs. Miller called the roll.

ATTENDEES

Board Members:

Travis Blosser – present
Jeffrey Fleck – present
Emily Lambright – present virtually
David Lanham-absent
Sarah Long – present
Jason Matthews – present virtually
Stephen Neddo – present
Michael Payne – present virtually
Craig Slaughter – present

Staff:

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

General Counsel:

Kelli Talbott, Senior Deputy Attorney General – present virtually

Guests:

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

Minute Taker:

LaRuth Miller

Approval of Minutesⁱ

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

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

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

OLD BUSINESS

Legal

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

- MPOB has not received any communication on the request for an Attorney General's Opinion.

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

- Kelli Talbott indicated the case is in a holding pattern in Judge Webster's Court. The pension participant that filed a lawsuit against the City of Charleston regarding the calculation of his benefits. The MPOB moved to intervene and that was granted. The plaintiff's attorneys sent the Charleston Policemen's Pension and MPOB discovery requests asking for audits that the MPOB may have performed. The MPOB did not complete an audit but did complete a compliance review that was presented to the Attorney. The Charleston Policemen's Pension also presented their discovery requests that the MPOB has reviewed. Kanawha County Circuit Court requires the plaintiff to move the lawsuit along by contacting the judge to schedule the pre-trial and trial.

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

- MPOB and Mr. Blair Taylor have been dismissed along with the City of Weirton and Harold E Miller. The Judge suggested Terrence F Brown refile or add to the lawsuit. Terrence Brown added Mr. Miller and the Weirton's Policemen's Pension and Relief Fund. The MPOB is still dismissed from the lawsuit.

Legislation

Potential Bills

- Mr. Taylor received a request from the Joint Committee on Pensions & Retirement, Senator Plymale, for a definition of base salary and overtime and other remuneration to add to §8-22-16(d). Mr. Taylor and Mrs. Painter completed the request and provided the definition to the Joint Committee on Pensions & Retirement on September 13, 2021 and discussed at December 2021 meeting. The definition will be discussed in the upcoming legislation.
- Proposal to allow retirees of closed plans to vote in the election of trustees was presented by retired Parkersburg Police Officer to Senator Azinger. The MPOB recommends the retirees be allowed to vote because eventually there won't be any active participants in the closed plans.
- Mr. Taylor brought to the Board's attention that several pension secretaries have nonduty permanent disability retirees not providing tax returns to comply with law §8-22-24(d). Pensions continue to be paid without further reviews. Several pension secretaries have indicated their attorney states the law does not provide for a penalty for not reporting the tax return and thus the Trustees cannot temporarily stop a non-duty related pension for this failure. The Pension secretaries want language added to code to hold pension in abeyance until tax return is submitted.
- Bolton suggests the DROP evaluations occur every 5 years instead of 1 year. The change in the DROP information is a marginal change every year. The 5-year change will cut annual costs to the MPOB except during the year the DROP evaluation occurs. MPOB has not received any questions about the DROP information from legislators.

- Current state law for all state pension retirees provides protection that their existing retirement cannot be garnished. Municipal Police Officers and Firefighters retirements is not protected by similar Code. Blair referenced federal law 4.14P Internal Revenue U.S. Code Qualified Domestic Relations Order. Recommendation to create similar language for the municipal police and fire pensions and their retirees for similar protection. The Joint Committee on Pensions and the Co-Chairs support adding this language to the municipal policemen's and firemen's pension funds.
- Senator Nelson and Delegate Storch would like the Board's opinion on introducing legislation to require the MPOB to calculate pensions and survivor benefits. Mr. Taylor suggested looking at the code and change pension calculations. Bolton gave a cost estimate of \$47,000 to design up to three different possibilities to change pension calculations. Mr. Taylor spoke with Mr. Neddo about police officers/firefighter being able to calculate a reasonable estimate of their pension prior to retiring. The current formula for calculating pension is complicated and needs to be changed. Mr. Fleck responded that MPOB calculating pension for firefighters/police officers would cause MPOB to act more like administrators, more staff required and a large cost to implement the change. Mr. Neddo suggests that we work on simplifying the formula for calculating pension due to most of the lawsuits stemming from the calculation of pension. Mr. Richie from Bolton agrees the formula can be simplified for calculating pension. Mr. Blosser indicated he was under the impression that MPOB would simplify the formula and not calculate pensions for firefighters/police officers, but MPOB would just review to determine if the firefighters/police officers calculation are correct. Mrs. Painter stated most of the trustees are not calculating pensions, but in fact municipal staff perform the calculations. Mrs. Painter stated it would take one additional employee for MPOB to calculate pensions for and survivor benefits.

MOTION: Motion to move forward on the first five items of the legislative agenda. Moved by Craig Slaughter; Seconded by Travis Blosser; passed unanimously:

RESOLVED, the Executive Director is to present the first five items on the Legislative agenda to each Pension Committee for Legislative action.

MOTION: Motion to accept the Bolton's proposal to provide several methods to simplify the formula to calculate firefighter's and police officer's pensions. Moved by Travis Blosser; Seconded by Craig Slaughter; passed unanimously:

RESOLVED, to issue a change order on our actuarial services contract with Bolton to provide methods that change and simplify the formula used to calculate firefighter's and police officer's retirement pensions.

Compliance Review Updates

- Mrs. Painter presented. Mrs. Painter and Mr. Smith only have a few compliance reviews left for 2021 to be completed that would leave 16 compliance reviews to complete for 2022. Many of the pension plans have not provided the MPOB with copies of rules and regulations as they do not exist in many of the plans. Staff is following up with plans that have been reviewed and have items that need completed to come into compliance, including providing copies of rules and regulations. Mr. Taylor gave accolades to Mrs. Painter for accomplishing all but 16 compliance reviews in two years. Ms. Painter thanked Mr. Smith for his work towards this success. The remainder of compliance reviews are to be completed in 2022, well within the 3-year goal.

- Plans of Action Extensions
 - Wheeling Firemen's and Wheeling Policemen's Pension have been granted an extension for March 31, 2022.
 - Huntington Policemen's Pension has been granted the 1st extension for February 28, 2022.

MOTION: Motion to approve Wheeling Policemen's Pension and Relief Fund and the Wheeling Firemen's Pension and Relief Fund be granted one-time extension for March 31, 2022, and the 1st extension for Huntington Policemen's Pension and Relief fund for February 28, 2022, Moved by Mr. Jeffrey Fleck; seconded by Mr. Craig Slaughter.

RESOLVED, that the Wheeling Policemen's Pension and Relief Fund and the Wheeling Firemen's Pensions and Relief Fund be granted an extension for March 31, 2022, and Huntington Policemen's Pension and Relief Fund for February 28, 2022.

NEW BUSINESS

Personnel

- Mr. Taylor requested to have the topic of "personnel" be a standing item on the June meeting agenda each year. A general discussion followed on whether the Board should have a sub-committee on Personnel. It was determined not to have a standing subcommittee on personnel. All were in favor of having a Personnel as a standing agenda item in June of each year.

PCard Expenditures

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

RESOLVED, that the PCard expenditures for September, October, and November of 2021, are approved as presented.

Executive Director's Report

- Disabilities have been lighter this calendar year (16) although 2 came in this month.
- Mr. Taylor has a meeting with the Office of Technology December 17, 2021, with Josh Spence and Janelle Jones to continue use of Microsoft Office 365 as the MPOB's constituents are not state employees and their continued use of the industry standard Microsoft Office. Ms. Painter pointed out our use of Quick Books requires a non-cloud based network storage system and it is not compatible with Google Workspace. Mr. Slaughter indicated should the motion pass, it is the within the Executive Director's purview to pursue the exemption through the Legislature or through other administrative means.

MOTION: Motion to approach the co-chairs joint pension committee for exemption for MPOB to utilize Microsoft Office products for the Municipal Pensions Oversight Board. Moved by Mr. Travis Blosser; Seconded by Mr. Craig Slaughter; Passed unanimously:

RESOLVED, the motion to approach the co-chairs joint pension committee for exemption for MPOB to utilize Microsoft Office products.

- MPOB conducted two regional trainings in Charleston and Fairmont with approximately 130 attendees. MPOB conducted a survey with the attendees about the regional trainings. Mr. Taylor will travel to train the trustees that did not attend the regional training. One of the outcomes from the trainings is the knowledge that current WV Code requires employed firefighters and police officers that return to work after active military duty provide a doctor exam to ensure they are competent to return to work. A vendor has been hired to conduct the exams for \$145.00. MPOB did not have to bid for the conducting of medical exams due to an exemption.
- A DROP application was received from Clarksburg that has been provided to Bolton. Bolton will review and give the information to the Board Members in the March meeting.
- LaRuth Miller will be receiving website training.
- GASBs are complete except for Nitro Police and Fire.
- Jim Ritchie, of Bolton, gave an overview of the Consolidated Actuarial Valuation.
 - Mr. Ritchie gave an overview of the Consolidated Actuarial Valuation Report for the Year Beginning July 1, 2020, document, and a brief description of the results of the plans and how much they were funded. Funded percentage on average increased 3% for each of the plans, roughly 1% of the increase in funded status is due to new actuarial assumptions. Most every plan has increased its funded status over the past 10 years, those using the Standard and Optional funding plans have increased more than those using the Alternative funding or the Conservation funding.
 - Mr. Ritchie recommends that legislature change the state code to allow municipalities that use the Conservation funding policy to switch to the Optional funding policy. Mr. Blosser would like the Board to review this idea in future years.
 - Bolton recommends the smaller plans invest with the Investment Management Board for greater rates of return.
 - Board members and Jim Ritchie discussed discouraging the use of the Alternative and Conservation funding policies.
- Mr. Taylor provided the Board members with the Consolidated Report Summary of Plan Statistics as of July 1, 2020. A discussion ensued on the funded status of several of the better funded plans and several of the most poorly funded plans.

ADJOURNMENT

Mr. Neddo called for a motion to adjourn:

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

RESOLVED, that the December 16, 2021, meeting of the MPOB is adjourned.



Stephen Neddo, Chairman

Minutes approved 3/17/22
(date)

Referenced documents can be found in the Board Meeting Packet.

ⁱ MPOB Minutes – September 16, 2021

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

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