

AGENDA
Municipal Pensions Oversight Board
Meeting of the Board Members

June 16, 2022 – 1:00 P.M.

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

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

MUNICIPAL PENSIONS OVERSIGHT BOARD

Minutes of Meeting

June 16, 2022

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

ATTENDEES

Board Members:

Steve Neddo - absent

Jason Matthews - present

Travis Blosser - present

Jeffrey Fleck- present

David Lanham - absent

Sarah Long - present

Michael Payne -Virtual

Tom Percy -present - virtual

Craig Slaughter -present

Staff:

Les Smith, Accountant - present

Blair Taylor, Executive Director - present

Guest:

Jim Ritchie - Senior Consulting Actuary, Bolton - present virtual

Jordan Mclane - Consulting Actuary, Bolton - present virtual

General Counsel:

Anthony Eates - Deputy Attorney General - present

Minute taker:

Les Smith

Approval of Minutes

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

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

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

Annual election of Secretary/Treasurer

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

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

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

OLD BUSINESS:

A: LEGAL

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

● MPOB served on June 10, 2022.

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

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

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

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

● Still pending with Judge Webster

● Filed a notice for substitute of counsel

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

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

B: LEGISLATION

HB4756 - Pension Obligation Bonds.

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

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

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

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

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

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

C: Compliance Review Updates

Dunbar Fire

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

NEW BUSINESS

Supplemental Benefits discussion on COLA.

Existing law (8-22-26a)

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

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

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

PCard Expenditures

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

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

Personnel

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

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

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

Executive Session

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

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

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

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

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

Hiring of Chief financial officer:

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

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

Executive Director's Report

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

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

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

Change order for Bolton

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

ARFP - Reviewing actuary

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

Investment fee

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

Pension Schedule

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

ADJOURNMENT

Mr. Matthews calls for a motion to adjourn.

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

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



Jason Matthews, Vice-Chairman

Minutes approved 9/22/2022

(date)

Referenced documents can be found in the Board Meeting Packet.

i MPOB Minutes March 17, 2022

ii MPOB Minutes -April 5, 2022