

AGENDA
Municipal Pensions Oversight Board

Meeting of the Board Members

March 16, 2023 – 1:00 P.M.

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

- I. Call to Order and Roll Call
- II. Approval of Minutes of Meeting on December 15, 2022
- III. Old Business
 - A. Legal
 - 1. Beckley Fire Department Pension Board v. The Municipal Pensions Oversight Board and Chairman Civil Action No. CC-41-2022-C-185
 - 2. Todd Lewis Taylor v. The City of Charleston, WV Policemen’s Pension and Relief Fund
 - 3. Paul Harrison v. the Charleston Firefighter’s Pension and Relief Fund and West Virginia Municipal Pensions Oversight Board, Civil Action No. 22-C-357.
 - 4. Terence F. Brown v. W.V. Municipal Pensions Oversight Board, Blair Taylor, City of Weirton, and Harold Miller (amended to City of Weirton and The Board of Trustees of the Policemen’s Pension or Relief Fund of Weirton), Civil Action No. CC-05-2021-C-14
 - B. Compliance Review Updates
 - 1. Recalculations
 - a. Charleston Fire
 - b. Dunbar Fire
 - c. Wheeling Police
 - d. Wheeling Fire
 - C. Legislation
 - 1. SB475 – effective (7-1-23) Types of independent medical examinations
 - 2. HB3148 – effective 90 days from passage (6-4-23)
 - 3. HB3244 – effective from passage (3-6-23) Legislative Rules for §8-33-4b
 - 4. HB3364 – effective from passage (3-3-23) Closure of certain pension funds
- IV. New Business
 - A. ARFP for Actuarial Audit Services
 - 1. Approval of Technical Form and Cost Form
 - 2. Selection of ARFP Evaluation Committee
 - B. P-Card Expenditures – December 2022, January, and February 2023
 - C. Personnel
 - 1. Legislative Across-the-Board Increase, \$2,300
 - D. Executive Director’s Report
 - 1. Weirton Policemen’s Pension Fund Trustee Question on Qualified Military Service
- V. Public Comments
- VI. Adjournment

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

The Municipal Pensions Oversight Board (MPOB) met on March 16, 2023, at 1:00 PM. The location of the meeting was held at 301 Eagle Mountain Rd. Suite 251, Charleston WV 25311. Mr. Steve Neddo welcomes everyone and calls the meeting to order. Mrs. Janet Warren calls the roll.

ATTENDEES

Board Members:

Travis Blosser — Present

Jeffrey Fleck — Present

David Lanham — Absent

Sarah Long — Absent

Jason Matthews, Vice Chairman — Present virtual

Steve Neddo — Chairman — Present

Michael Payne — Conference call

Tom Percy — Present

Craig Slaughter— Present

Staff:

Janet Warren — Administrative Assistant - Present

Les Smith, Accountant — Absent

Matthew Pauley, Chief Financial Officer - Present

Blair Taylor, Executive Director- Present

Guest:

Jim Ritchie, Senior Consulting Actuary, Bolton — Present

Jordan Mclane, Consulting Actuary, Bolton — Present

General Counsel:

Anthony Eates, Deputy Attorney General - Present Virtual

Minute taker:

Janet Warren

Approval of Minutes

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

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

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

Old Business:

A) Legal

Mr. Anthony Eates presenting.

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

Mr. Anthony Eates presenting.

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

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

- **No update**

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

- **No update**

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

Mr. Taylor Presenting:

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

B. Compliance Review Updates

1. Recalculations

Blair Presenting:

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

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

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

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

C. Legislation

Mr. Taylor presenting:

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

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

New Business

A) ARFP for Actuarial Services

Blair presenting

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

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

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

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

Members for the Evaluation Committee include:

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

B) P-Card Expenditures

Mr. Matt Pauley presenting.

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

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

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

C) Personnel

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

Mr. Blair Taylor presenting.

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

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

D) Executive Director's Report

Mr. Blair Taylor presenting

Currently there are 12 total requests for CY2022 and CY2023

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

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

Mr. Taylor ends his director's report.

Return to Personnel

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

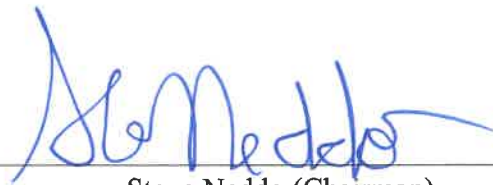
Public Comments

- None

Adjournment

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

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



Steve Neddo (Chairman)

Minutes approved 6-15-23
(date)

Referenced documents can be found in the Board Meeting Packet.