

AGENDA

Municipal Pensions Oversight Board

Meeting of the Board Members

March 19, 2020 – 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 19, 2019
- III. Old Business
 - a. Huntington Policemen's Pension and Firemen's Pension
 - b. Bolton
 - i. Experience Study Update
 - ii. Death Benefit Calculator
 - iii. Proposed Study for Online Benefit Calculator/Benefit Estimates/Disability Benefit Calculator
 - c. Legislative Agenda
 - i. SB523, SB532, HB4600, and HB4601
- IV. New Business
 - a. Procedure SOPs
 - i. Section III - Distribution of Funds
 - ii. Section VI - Payment Process
 - iii. Section X - Record Retention
 - iv. Section XI – Deferred Option Retirement Plan - DROP
 - v. Section XVI – Compliance Review Procedures
 - b. Saint Albans Firemen's Pension Compliance Review
 - c. Logan Firemen's Pension and Logan Policemen's Pension
 - d. P-Card Expenditures (December 2019, January & February 2020)
 - e. Executive Director's Report
- V. Next Board Meeting is 1:00 pm, June 18, 2020, Location 301 Eagle Mountain Road, Suite 251, Charleston, WV 25311
- VI. Public Comments
- VII. Adjournment

Pursuant to recommendations made the West Virginia Ethics Commission, the March 19th meeting will be closed to the public. Anyone wishing to attend via telephone may call 304-356-2422 to obtain call-in instructions.

MUNICIPAL PENSIONS OVERSIGHT BOARD
Minutes of Meeting
March 19, 2020

The Municipal Pensions Oversight Board (MPOB) met on March 19, 2020 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, absent
- John Kee, present *(by teleconference)*
- Emily Lambright, present *(by teleconference)*
- David Lanham, absent
- Jason Matthews, present *(by teleconference)*
- Stephen Neddo, present
- Michael Payne, present *(by teleconference)*
- Craig Slaughter, present

General Counsel:

- Kelli Talbott, Counsel – WV Attorney General’s Office, present *(by teleconference)*

Staff:

- LeAnne Neccuzi, Administrative Assistant
- Michelle Painter, Chief Financial Officer
- Les Smith, Accountant
- Blair Taylor, Executive Director

Minute Taker:

- LeAnne Neccuzi

Approval of Minutes

- Minutes for the MPOB meeting on December 19, 2019, were presented for approval.

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

RESOLVED, that the minutes of the December 19, 2019 Municipal Pensions Oversight Board meeting be approved as presented¹.

OLD BUSINESS

Huntington Policemen's Pension and Firemen's Pension

- Mrs. Painter reported she re-calculated and Mr. Taylor re-checked a subset of the pensions being underpaid and overpaid by each pension fund. Of those rechecked, one pensioner's correct payment was being underpaid by six cents monthly. The information was communicated to the Huntington Finance Department and they agreed to the correction. It will not change the actual amount the pensioner is receiving as he is receiving an incorrect higher amount as approved by the Huntington City Council. All other recalculations were correct. These reviews are now complete.

Bolton

- No presentation was made by Bolton as their representatives were not present due to the pandemic and did not call in to the meeting.

Legislative Agenda

- Mr. Taylor explained four bills the MPOB advocated for were passed by the Legislature.
 - SB523 – Extends timeframe that requires municipalities which have closed a municipal firemen's or policemen's pension to present a plan to the State Auditor's Office that will allow their police officers and firefighters participating in the Municipal Police Officers and Firefighters Retirement System (MPFRS) to vote to participate in Social Security or not.
 - SB532 – Directs municipalities upon cessation of payments to members or beneficiaries to use any remaining funds only for the pension costs for members in the MPFRS plan. Provided that if the plan had received any state aid within the past five years, those state dollars would have to be repaid in full to the MPOB to be used in future re-allocations to municipal policemen's and firemen's pension funds. Signed into law by Governor Justice.
 - HB4600 – Codified the practice of counting beneficiaries in the "retired members" category for receiving state aid. Specifically, one beneficiary of each deceased member will be counted in the average monthly number of retired members for the purposes of calculating state aid as required in §33-3-14d.
 - HB4601 – DROP bill changing the definition of a member participating in a DROP program from "retired" to "active" so long as the DROP member works 100 hours per month. This bill has been signed into law by Governor Justice.

NEW BUSINESS

Procedure SOPs

- Section III – Distribution of Funds
- Section VI – Payment Process
- Section X – Record Retention

- Section XI – Deferred Option Retirement Plan (DROP)
- Section XVI – Compliance Review Procedures
- Certain procedures and procedures for maintaining internal controls of the MPOB were presented for approval. *Moved by Mr. Slaughter; Seconded by Mr. Kee; Passed unanimously:*

RESOLVED, that the procedures presented herein be approved and are effective immediately.

Saint Albans Firemen’s Pension Compliance Review

- Mrs. Painter presented her review of the pension plan.
 - The fiscal revenues and expenditures appear to be in order.
 - There are issues with the board duties and pension secretary duties.
 - An election for pension trustees has not occurred for many years.
 - The terms of the trustees are undefined.
 - The Pension Secretary has agreed to begin holding elections and to start over with the first election electing 4 members each with different term ending dates, i.e. 4-year term, 3-year term, 2-year term and a 1-year term. Subsequent elections will be for 4-year terms.
 - The Chair (Saint Albans Mayor) has attended one meeting in the past year and has been verbally invited to others. Emailed invitations will occur in the future.
 - Retirement calculations are being performed by the pension secretary; however he is not using the Pension Calculator nor is he following State Code to calculate the retirements. Instead, he is using an excel spreadsheet he created.
 - The City of Saint Albans payroll system does not provide appropriate codes for the pension secretary to use to separate base pay and unscheduled overtime and other remuneration.
 - The secretary is using all remuneration in the base column to calculate the pensions. The secretary then does use a 20% limiter in the calculations; however, it is not applied as specified in WV Code.
 - Mrs. Painter has discussed the payroll classification issue with the Saint Albans Treasurer. The Treasurer, Pensions Secretary and payroll clerk have agreed to meet with her to address this issue. The City of Saint Albans will have to have its payroll system updated to include appropriate codes for separating base pay and unscheduled overtime and other remuneration.
 - The Fire Chief does have hourly payroll records that will need reviewed to try to break out base pay and unscheduled overtime and other remuneration.
 - It is unknown whether the previous pension secretary calculated retirements correctly and the current secretary does not have the previous calculations.

- Recalculating these pensions is a huge undertaking. Mrs. Painter has told the pension secretary and the City Treasurer she will be monitoring the recalculations of the 15 retirees and will select a sample to review once the Trustees and City Treasurer have performed the recalculations.

Executive Director's Report

- Mr. Taylor presented his report for the period of December 6, 2019 through March 6, 2019.
 - Two DROP applications have been received and reviewed. Beckley Police and Wheeling Fire were both sent back to their respective municipalities to correct several administrative issues raised in both plans. Beckley Police has refiled, and their application will be sent to Bolton for review.
 - Compliance Reviews have started with the goal of having 12-15 completed this calendar year.
 - Training will continue this spring and summer to include the recently passed legislation.
 - Revenue collections in CY2019 was a 2% increase, 1.26% being collections with interest making up the remainder of the increase. However, with the economic changes in the country, next year's interest generated by our investments will likely be reduced. In CY2019, we generated greater revenue than what the MPOB spent administratively.
 - Ms. Neccuzzi has submitted her resignation and her last day will be tomorrow, March 20, 2020. I will be re-writing the Administrative Assistant job description and looking for a new person to fill the position. I have at least one person I plan to speak with regarding the position.
 - Ms. Neccuzzi has been redesigning our website and will make a presentation on the redesign of the website at the conclusion of the meeting. The website design has not been updated since it was first developed in 2012.

P-card Expenditures (December 2019, January 2020, and February 2020)

- Mrs. Painter presented the P-Card expenditures for December 2019, January 2020, and February 2020. *Moved by Mr. Slaughter; Seconded by Mr. Matthews; Passed unanimously:*

***RESOLVED*, that the Municipal Pensions Oversight Board approve P-Card expenditures for December 2019, January and February 2020ⁱⁱ.**

Logan Firemen's Pension and Logan Policemen's Pension

- Mr. Neddo asked for a motion to go into executive session. *Moved by Mr. Slaughter; Seconded by Mr. Matthews; Passed unanimously:*

RESOLVED, that the Municipal Pensions Oversight Board go into executive session as provided for in W.Va. §6-9A-4(b)(2)(A) to discuss legal matters subject to attorney client privilege.

Mr. Neddo called the Board back to the normal session and announced that no decisions or votes were made during the executive session.

- Mr. Neddo asked if there are any motions. *Moved by Mr. Kee, Seconded by Mr. Slaughter; Passed unanimously:*

RESOLVED, with regard to the City of Logan, the Municipal Pensions Oversight Board staff is to request an audience with the Mayor of Logan and its City Council to discuss the issues staff have had trying to assist the City of Logan draw down state aid for each pension plan. In addition, the staff are to notify the Chief Examiner of the State Auditor's Office of what staff has found regarding the City of Logan's pension plans.

The next regular meeting of the MPOB will be held on June 18, 2020 at 1:00 p.m. at 301 Eagle Mountain Road, Suite 251, Charleston, West Virginia 25311.

Public Comments

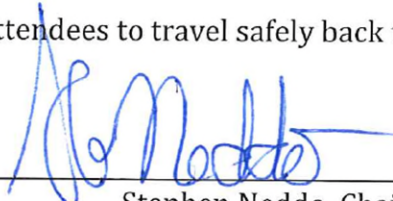
- No members of the public were in attendance.
- Mr. Kee announced his replacement has been picked and that his term ended at the beginning of last year, that he had enjoyed being on the board.
- Ms. Neccuzi thanked the Board for employing her and she wished the Board her best.

ADJOURNMENT

- Mr. Neddo called for a motion to adjourn: *MOTION: Moved by Mr. Slaughter; Seconded by Ms. Lambright; Passed unanimously:*

RESOLVED, that the March 19, 2020 meeting of the MPOB is adjourned.

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



Stephen Neddo, Chairman

Minutes approved 18 JUNE, 2020
(date)

ⁱ Meeting Minutes, December 19, 2019

ⁱⁱ P-card Expenditures December 2019, January and February 2020