

AGENDA

Municipal Pensions Oversight Board

Meeting of the Board Members

March 17, 2016 – 10:00 A.M.

1700 MacCorkle Avenue, SE

Eleventh Floor, Room 1174

Charleston, WV 25314

- I. Call to Order and Roll Call
- II. Approval of Minutes of Meeting on November 4, 2015
- III. Old Business
 - a. City of Weston Police Pension & Fire Pension Review
 - b. MPOB space – current lease ends June 30, 2016
 - c. Experience Study for 2009-14 Update
- IV. New Business
 - a. City of Wheeling DROP Application for Fire Department
 - b. Required Annual Contribution Report past 5 years
 - c. Audit Services Contract - RFQ
 - d. Reviewing Actuary (§8-22-20(c)(5)) – RFP draft
 - e. January 2016 Financial Report
 - i. P-Card Expenditures (Nov. & Dec. 2015 and Jan. 2016)
 - f. Executive Director's Report
- V. Next Board Meeting is 10:00 am, June 16, 2016 Location TBA
- VI. Adjournment

MUNICIPAL PENSIONS OVERSIGHT BOARD
Minutes of Meeting
March 17, 2016

 ORIGINAL

The Municipal Pensions Oversight Board (MPOB) met on March 17, 2016 at 10:00 a.m. at 1700 MacCorkle Ave. SE, 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 (*arrived at 11:05 a.m.*)
- John Kee, present
- Michael Payne, present
- Jason Matthews, present
- Stephen Neddo, present
- Craig Slaughter, present
- Seth Wilson, present by teleconference, (*joined meeting at 10:03 a.m., left meeting at 11:35 a.m.*)

- **General Counsel:**
- Kelli Talbott, Chief Counsel Attorney General's Office, absent

Guests:

- Alex Rivera, Gabriel, Roeder & Smith, (*present by teleconference, left meeting at 10:47 a.m.*)
- Lance Weiss, Gabriel, Roeder & Smith, (*present by teleconference, left meeting at 10:47 a.m.*)

Staff:

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

Minute Taker:

- LeAnne Neccuzi

APPROVAL OF MINUTES

Minutes for the MPOB meeting on November 4, 2015 were presented for approval. *Motion: Moved by Mr. Matthews; Seconded by Mr. Slaughter; Passed unanimously:*

RESOLVED, that the minutes of the November 4, 2015 MPOB meeting be approved as amended.

The Chairman requested that the agenda be re-ordered to accommodate Mr. Weiss and Mr. Rivera of Gabriel, Roeder, Smith and Company, who were present by teleconference.

OLD BUSINESS

City of Weston Police Pension & Fire Pension Review

Mr. Taylor met with City of Weston officials at their city council meeting on February 1, 2016. The City agreed to come into compliance with state code by withholding 9.5% of pay toward the Policemen's Pension plan for officers hired after January 1, 2010. Weston came into compliance by using City funds to make up member payments which had not been collected. Weston Police Pension applied for and received the state aid before the February 28th deadline.

MPOB space – current lease ends June 30, 2016

Mr. Taylor reported to the Board the MPOB's existing lease expires on June 30, 2016 and that Columbia Pipeline Group notified the MPOB in February the lease would not be renewed. Mr. Taylor worked with the WV Real Estate Division to find a suitable location to lease. Office space located on the second floor of 301 Eagle Mountain Road, which is owned by the Central West Virginia Airport Authority, was the most prudent choice of all of the properties for the MPOB. *Motion: Moved by Mr. Slaughter; Seconded by Mr. Payne; Passed unanimously:*

RESOLVED, that the MPOB authorize the Executive Director to negotiate a lease with the West Virginia Airport Authority for the property at 301 Eagle Mountain Road.

Experience Study for 2009-14 Update

Mr. Taylor asked Mr. Rivera of Gabriel, Roeder, Smith and Company (GRS), to update the board on the status of the 2009-2014 Experience Study. Mr. Rivera reported there are two assumptions which will need significant review: 1.) mortality tables and 2.) adding parameters to the investment return function. GRS has concerns with plans that have not made the statute required contributions year after year (thus forfeiting state aid), when the actuarial studies assume those contributions are being made. Mr. Taylor informed Mr. Rivera that a sub-committee had been appointed at the November meeting to receive the experience study drafts. Experience Study sub-committee members are Jeff Fleck, John Kee,



ORIGINAL

Jason Matthews and Craig Slaughter. Mr. Rivera reported that GRS plans to have a draft of the experience study ready in May at which time he will arrange to meet with the MPOB.

NEW BUSINESS

City of Wheeling DROP

Mr. Neddo asked Mr. Rivera to update the MPOB on the City of Wheeling Firemen's Deferred Retirement Option Plan (DROP). Mr. Rivera stated that they had prepared a letter of impact of the proposed DROP on the Wheeling Firemen's Pension Fund. Previously, the City of Wheeling adopted the Optional funding policy for the Firemen's Pension plan. The DROP Application was not clear if the city would be responsible for paying normal cost for DROP plan member or not. Because it wasn't clear, they developed two separate scenarios. The first scenario concludes the plan is revenue neutral when Wheeling pays normal cost on both active members and the retired DROP members. The second scenario concludes the plan is not revenue neutral when Wheeling only pays normal cost only on active members and not DROP members.

Mr. Taylor referenced WV Code §8-22-25a which states that the Board can approve only those DROP plans that have no negative impact on the members' pension plan. Mr. Taylor also pointed out that the City of Wheeling presented this plan to their pension board, the Fire Department and their city council and has received all of the permissions up to the point of applying to the board for that DROP plan. However, under current law, the ability to have a DROP plan expires on June 30, 2016.

Mr. Fleck stated that he was in favor of presenting only Scenario 1 of GRS's letter to the City of Wheeling. *Moved by Mr. Fleck; Seconded by Mr. Wilson; Passed unanimously:*

RESOLVED, that the MPOB present the City of Wheeling Firemen's Pension and Relief Fund with Scenario 1 of GRS's recommendation letter dated, March 2, 2016.ⁱ

Required Annual Contribution Report past 5 years

The report lists those plans which had not drawn down any or all premium tax allocations in the past five years. The three primary offenders are Logan Fire, Logan Police, and Point Pleasant Police. Mr. Rivera indicated when municipalities do not pay the required annual


ORIGINAL

contribution into their respective pension plans, there is a negative effect on the existing actuarial studies as the actuarial assumptions are predicated on receiving all of the state premium tax allocations. He stated that they will be putting together a letter to show the impact of not paying the statutory minimum and several plans will be receiving this letter. Mr. Slaughter reported that he recently received a phone call from Point Pleasant who indicated their intentions to move their money to the WV Investment Management Board (WVIMB).

Mr. Taylor referenced the section of WV §8-22-19 that provides the language that requires regular annual contributions in order to receive state aid. Mr. Taylor stated Ms. Talbott, the MPOB legal counsel, had suggested sending letters to the pension plans who have not made their regular contributions; referencing the code section and referencing their apparent lack of funding the pension plans. The letters should request the municipality to show where payments to the plans have been made.

Mr. Neddo stated that the MPOB has the legal authority to go after the plans who are not adequately funding their pension plans by suing the municipality on behalf of the members and pensioners. Mr. Taylor stated that he and Ms. Talbott would start by sending out letters to each City Council and Mayor requesting confirmations of municipal payments to pension plans as required in the actuarial studies. Mr. Taylor stated that if they start building the case then Ms. Talbott can advise the board on the next steps. Mr. Slaughter stated that he assumed the letters would include language that the MPOB would be able to sue if the plans do not become compliant. Mr. Taylor stated that they would.

Audit Services Contract - RFQ

Mr. Taylor presented the draft of the Audit Services Contract - Request for Quotation (RFQ), which was written by Mr. Smith. He reported he believes the bids would come in under \$25,000 a year and therefore would not fall under the Division of Purchasing to bid. The contract we had for the past three years was for \$15,900 per year. The bidding process will go through wvOASIS and will be made available to vendors throughout the state. Mr. Kee asked that Gray, Gibbons and Mays be added to the list of vendors. Mr. Taylor emphasized

 ORIGINAL

that the contract will be awarded to the lowest bidder meeting specifications. *Motion: Moved by Mr. Kee; Seconded by Mr. Matthews; Passed unanimously:*

RESOLVED, that the MPOB approve putting out a request for quotation for the annual audit.



ORIGINAL

REVIEWING ACTUARY (§8-22-20(C)(5)) – RFP DRAFT

Mr. Taylor presented the Request for Proposal (RFP) draft and stated that he would like to have the final document ready for approval at the June meeting. His timeline is to submit the RFP to potential vendors in July and have proposals due by the end of September. The review will include each of the different types of actuarial studies now performed by GRS; Standard, Alternative, Optional and Conservation. Mr. Smith has been researching other states who have reviewing actuaries and has used some of their RFP's to help craft this RFP. Mr. Fleck asked if there had been any problems getting the RFP through Purchasing. Mr. Taylor stated that the MPOB is actually exempt from Purchasing for this particular purchase. He reminded the board that this is not for the actuarial services but to review the current actuary (an audit of the actuary) and is required by state code. Mr. Kee reminded the board that they do not have to go with the low bidder. Mr. Taylor stated the answers obtained from this peer review will determine whether the MPOB extends the existing Actuarial contract using the two one year renewals available in the existing contract. Mr. Taylor asked Mr. Fleck if he had any ideas as to who might have experience auditing actuaries. Mr. Fleck said that he would speak to the CPRB actuary to see if he is aware of anyone in the industry.

FINANCIAL REPORT AND P-CARD EXPENDITURES

Mr. Smith presented the financial report for January 2016 and the p-card expendituresⁱⁱ for November, December 2015 and January 2016. Mr. Fleck asked why all financial reports were not approved by the MPOB but financial reports presented at the quarterly MPOB meetings were. Mr. Slaughter stated that the West Virginia Investment Management Board (WVIMB) did not have their board approve their monthly financial reports. It was determined that because an annual audit is done of the MPOB, it is not necessary for the board to approve the

financial reports at the quarterly meetings as they are for informational purposes only.

MOTION: Moved by Mr. Kee; Seconded by Mr. Fleck; Passed unanimously.

RESOLVED, that the MPOB accept the p-card expenditure reports for November, December 2015, January 2016, and February 2016 as written.

EXECUTIVE DIRECTOR'S REPORT

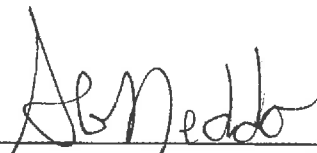
Mr. Taylor presented his report for the period of October 24, 2015 through March 8, 2016. He reported that Mr. John Dawson who had just been appointed by Governor Tomblin to the MPOB on March 2, 2016, has resigned due to his employers concerns over a perceived conflict of interest. On March 10, 2016, Mr. Dawson submitted a resignation letter.

Mr. Taylor reported that he is currently working with the WV CPRB to have MPOB code and rules included in their code book Law and Rules of the West Virginia Consolidated Public Retirement Board (CPRB). Mr. Taylor plans to purchase copies of the 2016 edition for each of the 53 pension secretaries, existing board members, and staff.

Mr. Taylor briefed the board on the status of a disability application for a fire fighter. Mr. Taylor has concerns over the authenticity of the source of the paperwork that was submitted. He is currently working with Kelly Talbott to resolve the issue.

ADJOURNMENT - Having concluded its business, the meeting adjourned. *MOTION: Moved by Mr. Slaughter; Seconded by Mr. Fleck; Passed unanimously:*

RESOLVED, that the March 17, 2016 meeting of the MPOB is adjourned.



Stephen Neddo, Chairman

Minutes approved 06/16/16
(date)

Attachments

ⁱ GRS' Letter dated March 2, 2016 - City of Wheeling Firemen's Deferred Retirement Option Plan (DROP)
ⁱⁱ P-Card Expenditures (November, December 2015 and January 2016)

ORIGINAL



March 2, 2016

Mr. Blair M. Taylor
Executive Director
West Virginia Municipal Pensions Oversight Board
1700 MacCorkle Avenue, SE
Charleston, WV 25314

CONFIDENTIAL

Subject: City of Wheeling, West Virginia Firemen's Pension and Relief Fund – Proposed DROP

Dear Blair:

We have reviewed the financial impact of the DROP design proposed by the trustees of the City of Wheeling, West Virginia Firemen's Pension and Relief Fund ("Fund") as allowed under the provisions of West Virginia Code Section 8-22-25a. Our understanding of the proposed DROP design is outlined below:

- A member must be eligible for regular retirement from November 10, 2015, through June 30, 2016. A member is eligible for regular retirement after attaining age 50 and completing at least 20 years of service. A member is eligible for the DROP six months after becoming eligible for regular retirement.
- An eligible member who makes the election to participate in the DROP will:
 - Receive a retirement benefit based on service and final average salary as of the DROP participation date.
 - Accumulate benefits during the DROP period in the member's DROP account.
 - Participate in the DROP for a period that may span from one year to five years provided that the member's age is less than 65.
- Benefits in the DROP account will not be credited with interest per the pension board's decision on October 19, 2015. This applies to all members who elect into the DROP including (1) members who terminate employment at the end of the DROP participation period, (2) members who terminate employment before the end of the elected DROP period, (3) members who become disabled during the DROP period and (4) the beneficiary's accumulation account on behalf of any members who die during the DROP period.
- Although not required by statute, the City of Wheeling DROP design will require that DROP members contribute 7.0% of compensation during the DROP period.
- Based on the City of Wheeling's policy, accumulated sick leave may be converted into pensionable salary before entering the DROP.
- DROP members will be considered retired members for purposes of supplemental benefits (COLA).
- DROP members will be considered retired members for purposes of the premium tax allocation.

- Based on information provided by the City of Wheeling, sixteen members are eligible to participate in the DROP prior to June 30, 2016.

Our cost estimates are based on the following data and assumptions:

- The City of Wheeling provided census information for the sixteen eligible members, including salary history through December 31, 2015.
- Member's accumulated DROP benefits will not earn interest during the DROP period.
- Present values are based on a discount rate of 5.5%.
- Eligible members are assumed to either retire or select a five-year DROP at the end of the calendar year in which they are first eligible to retire.
- Premium tax allocation for 2016 of \$7,244 per active member and \$2,131 per retired member. After 2016, the premium tax allocation increases based on the assumptions used for the July 1, 2014 valuation.
- Accumulated sick leave in excess of 45 days is converted into pensionable salary.

The methodology used to estimate the cost impact of the proposed DROP design is outlined below:

- A five-year projection of retiree benefits, normal costs, member contributions and premium tax allocations assuming the sixteen eligible DROP members elected to retire instead of entering the DROP.
- A five-year projection of retiree benefits (without DROP interest credit), member contributions and premium tax allocation assuming the sixteen eligible DROP members elected to enter the DROP.
- Since the Fund was closed to new members effective as of December 1, 2014, we have assumed the hiring of new members to replace retired members would only impact the premium tax allocation provided to the Fund. However, the timing of when new members are hired would also impact the City's contributions to the statewide Municipal Police and Firefighters Retirement System (MPFRS).
- The projections were developed assuming members would retire or select the DROP at the end of the calendar year in which they are first eligible to retire, at age 50 with 20 years of service.
- Net present values were developed comparing the change in liability to the change in revenue over the five-year period.
- The impact of accelerating retirement due to the DROP design was estimated using the valuation as of July 1, 2014, projected to December 31, 2015, with adjustments for salary changes through December 31, 2016.
- The City makes contributions to the Fund using the Optional Funding Policy. It is not clear if the City's normal cost contribution is inclusive or exclusive of DROP member pay. Consequently, we are providing alternative cost estimates under each respective scenario.

A summary of the cost impact is shown below for the sixteen eligible DROP members:

Impact of Proposed DROP Design (Gain)/Loss	Present Value 12/31/2015	
	Scenario 1 ^a	Scenario 2 ^b
Accelerated Retirement	\$ 312,218	\$ 312,218
DROP Member Contributions	\$ (275,231)	\$ (275,231)
DROP Interest Credit	\$ 0	\$ 0
Premium Tax Allocation	\$ 466,490	\$ 466,490
City's Normal Cost Contribution	\$ (1,080,880)	\$ 0
Net (Gain)/Loss	\$ (577,403)	\$ 503,477

^aScenario 1: DROP member pay included in City's normal cost contribution

^bScenario 2: DROP member pay excluded in City's normal cost contribution

Observations and Conclusions

Based on the analysis described above, the Fund is projected to experience a gain of \$577,403 under scenario 1 and a loss of \$503,477 under scenario 2. The key observations include:

- The DROP design could potentially cause eligible members to accelerate their retirement date, which is expected to generate a loss to the Fund.
- The present value of accumulated DROP member contributions produces a net overall gain.
- If a member retires and is replaced with a newly hired member, the Fund would receive a premium tax allocation for the retiree and the newly hired member. However, under the DROP, the Fund would receive a premium tax allocation for only one retired member, which is expected to produce a loss to the Fund.
- If the City includes DROP member pay in the normal cost contribution and the City makes additional contributions on behalf of DROP members, then a gain occurs.

The above analysis only considers the financial impact to the Fund. With respect to the City's contributions to the MPFRS, if the DROP eligible members retire immediately instead of selecting the DROP, and are replaced with new hires, the present value of City contributions to the MPFRS during the DROP period is approximately \$280,000. However, there would be no additional contributions to the MPFRS while eligible members are actively employed and in the DROP.

Please note that as of the most recent valuation, as of July 1, 2014, the funded ratio is only 27%.

Mr. Blair M. Taylor
West Virginia Municipal Pensions Oversight Board
March 2, 2016
Page 4

Please note that a net gain under scenario 1 was generated under the proposed design and the assumptions, methods and data outlined above. The results are based on our "best estimate" assumptions. It is possible that another equally plausible scenario, based on another set of reasonable assumptions, could produce materially different results. Also, it is possible that other emerging experience due to actual salary or retirement experience could produce materially different results.

Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period or additional cost or contribution requirements based on the plan's funded status); and changes in plan provisions or applicable law.

This report is intended for use by the MPOB, City of Wheeling, and the City of Wheeling Firemen's Pension and Relief Fund. This report may be provided to other parties only in its entirety with supporting documents and only with the permission of the MPOB, City of Wheeling, and the City of Wheeling Firemen's Pension and Relief Fund. This report should not be relied on for any purpose other than estimating the financial impact on the City of Wheeling Firemen's Pension and Relief Fund of offering a DROP as described in this report.

Please see the most recent valuation report of the City of Wheeling Firemen's Pension and Relief Fund for a more comprehensive description of the benefits provided and summary of the data, assumptions and methods used in the actuarial valuations.

Our estimates do not consider the potential impact to the Plan Sponsor such as the impact to compensation or fringe benefits.

The signing actuaries are independent of the plan sponsor.

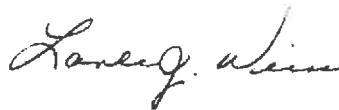
Alex Rivera and Lance Weiss are Members of the American Academy of Actuaries (MAAA) as indicated, and meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained herein.

Please let us know if you have any questions or comments.

Sincerely,



Alex Rivera, F.S.A., E.A., M.A.A.A.
Senior Consultant



Lance Weiss, E.A., M.A.A.A.
Senior Consultant

MPOB Purchasing Card Review/Audit Record

Cardholder: Karen L. Naccuzzi

Billing Cycle: Nov-15

Page 1 of 2

Transaction Limit: \$5,000.00 Monthly Limit: _____

Reviewer: _____

Item	Trans Date	Vendor	Brief Item Description	Transaction Amount	Itemized Receipt/Duplicate Y/N	S 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	10/21/2015	Office Max	Keyboard ergonomic #992m-00012 MPOB1292 for L. Naccuzzi	\$23.48 \$23.48	Y	881689	Y	R		Office 15	
2	10/21/2015	Komax	Invoice 160259 for bw-\$7.92 and color copiers - \$16.88 - 9/1/2015	\$24.80 \$24.80	Y	881687	Y	R	Y	Dig Cop 12	
3	11/19/2014	Komax	Invoice 158524 copier rent Oct-15	\$214.67 \$214.67	Y	881688	Y	R	Y	Dig Cop 12	
4	11/2/2015	Office Max	Office Supplies - MPOB1294	\$24.41 \$24.41	Y	905298	Y	R	Y	Office 15	
Total:				\$287.36							

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

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

Cardholder Certification/Date: Karen L. Naccuzzi

Reviewer-Auditor Certification/Date: [Signature]

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 Dec-15

Page 1 of 2

Transaction Limit \$5,000.00 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	11/3/2016	Office Max	(3) 2016 ny Month eco-gm desktop calendars	\$26.88		907358	Y		Y	SWC officia15	
Total				\$26.88							

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

Karen L. Neccuzzi

Karen M. Davis

Reviewer-Auditor Certification/Date: _____

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

Cardholder Certification/Date:

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.

June 2010

MPOB Purchasing Card Review/Audit Record

Cardholder Karen L. Neccuzzi

Billing Cycle Jan-16

Page 1 of 2

Transaction Limit \$5,000.00 Monthly Limit _____

Reviewer: _____

Item	Trans Date	Vendor	Brief Item Description	Transaction Amount	Itemized Receipt/Del Ticket Y/N	S 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	12/4/2015	Bridge Road Bistro	Catered Lunch for MPOB Trustees Training (See attached)	\$731.25	Y	961163	Y	R			
2	12/8/2015	Komax	Invoice 161898 color copies - \$87.40, bw - \$25.11	\$112.51	Y	966582	Y	R	Y	Dig Cop 12	
3	12/8/2015	Komax	Invoice 161899 copier rent Nov-15	\$214.67	Y	966583	Y	R	Y	Dig Cop 12	
4	12/8/2015	Komax	Invoice 164085 copier rent Dec-15	\$214.67	Y	968584	Y	R	Y	Dig Cop 12	
5	12/8/2015	Komax	Invoice 164084 copier Color - \$67.44, BW - \$6.62	\$66.06	Y	968585	Y	R	Y	Dig Cop 12	
6	12/10/2015	WV Prison Industries	Copier Paper 8 1/2 x 11 CSR41385 MPOB1293	\$105.60	Y	969320	Y	R	Y		
7	12/10/2015	Leader Technologies	Conference Call - Invoice 111573923 MPOB meeting 11/04/15	\$31.71	Y	989321	Y	R	N		NA
8	12/10/2015	ATT	Cellular charges - B. Taylor - Partial mo (new account) - 11/20-12/02/15 acct 287267230256	\$20.77	Y	989516	Y	R	Y	CellPhone 13A	
				\$1,497.24							

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

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

Cardholder Certification Date: Karen L. Neccuzzi
 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.

Reviewer-Auditor Certification/Date: Debbie M. Andrews 1/13/16

MPOB Purchasing Card Review/Audit Record

Cardholder Karan L. Neccuzzi

Billing Cycle Feb-16

Page 1 of 2

Transaction Limit \$5,000.00 Monthly Limit

Reviewer:

Item	Trans Date	Vendor	Brief Item Description	Transaction Amount	Itemized Receipt/Del Ticket Y/N	S 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	1/13/2016	Komax	Invoice 166526 - December 2015 color copies - \$17.28, bw - \$10.08	\$27.36	Y	1017386	Y	R	Y	Dig Cop 12	
2	1/13/2016	Komax	Invoice 166527 copier rent Jan-16	\$214.67	Y	1017385	Y	R	Y	Dig Cop 12	
3	1/18/2016	ATT	Cellular charges - B. Taylor - Partial mo (new account) - 12/03/15-01/02/16 acct 287267230256	\$56.51		1025379	Y	R	Y	CellPhone 13A	
				\$286.54							

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

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

Cardholder Certification/Date:

Karan L. Neccuzzi 2/16/16

Reviewer-Auditor Certification/Date:

Tobi Madant 2/16/16

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

AGENDA

Municipal Pensions Oversight Board **Meeting of the Board Members**

June 16, 2016 – 10:00 A.M.

1700 MacCorkle Avenue, SE

Eleventh Floor, Room 1174

Charleston, WV 25314

- I. Call to Order and Roll Call
- II. Approval of Minutes of Meeting on March 17, 2016
- III. Old Business
 - a. MPOB space – new lease starts July 1, 2016
 - b. Approval of Experience Study 2009-2014
 - c. Letters to Point Pleasant City Council and Logan City Council
 - d. Audit Services RFQ and Award
 - e. Approval of RFP for Reviewing Actuary (§8-22-20(c)(5))
 - f.
- IV. New Business
 - a. Donald A Scurlock vs. Board of Trustees of the Nitro Policemen's Pension and Relief Trust Fund
 - b. P-Card Expenditures (Mar, Apr, May, and Jun 2016)
 - c. Executive Director's Report
- V. Next Board Meeting is 10:00 am, September 15, 2016 Location 301 Eagle Mountain Road, Suite 251, Charleston, WV 25311
- VI. Adjournment

MUNICIPAL PENSIONS OVERSIGHT BOARD
Minutes of Meeting
June 16, 2016

The Municipal Pensions Oversight Board (MPOB) met on June 16, 2016 at 10:00 a.m. at 1700 MacCorkle Ave. SE, Charleston, West Virginia. The Chair, Mr. Neddo, called the meeting to order, noting that a quorum was present.

ATTENDEES

Board Members:

- Lisa Dooley, present (*left meeting at 11:30 a.m.*)
- Jeffrey Fleck, present
- John Kee, present
- Jason Matthews, present
- Stephen Neddo, present
- Michael Payne, present by teleconference
- Craig Slaughter, present
- Seth Wilson, present by teleconference

- **General Counsel:**
- Kelli Talbott, Chief Counsel Attorney General's Office, present

Guests:

- Alex Rivera, Gabriel, Roeder & Smith, present (*left meeting at 10:58 a.m.*)
- Lance Weiss, Gabriel, Roeder & Smith, present (*left meeting at 10:58 a.m.*)

Staff:

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

Minute Taker:

- LeAnne Neccuzi

APPROVAL OF MINUTES

Minutes for the MPOB meeting on March 17, 2016 were presented for approval. *Motion: Moved by Ms. Dooley; Seconded by Mr. Matthews; Passed unanimously:*

RESOLVED, that the minutes of the March 17, 2016 MPOB meeting be approved as written.

OLD BUSINESS

MPOB space – new lease starts July 1, 2016

Mr. Taylor reported that Lease MPB-002-621 for 301 Eagle Mountain Road, Suite 251, Charleston, West Virginia 25311, has been approved. The MPOB move is scheduled to take place on June 29, 2016 and June 30, 2016. The new location is handicapped accessible with plenty of free parking. Future board meetings will be held in the conference room at the new location. The new lease is for five years with three five-year optional renewals included.

Approval of Experience Study 2009-2014

Mr. Neddo asked ad hoc committee chair, Mr. Kee, to update the board on the 2009-2014 Experience Study. Mr. Kee introduced Mr. Rivera, of Gabriel, Roeder and Smith (GRS) who presented the Experience Study for the period July 1, 2009 to July 1, 2014 to the MPOB.

Motion: Moved by Ms. Dooley; Seconded by Mr. Slaughter; Passed unanimously:

***RESOLVED*, that the MPOB accept the 2016 Experience Reviewⁱ and New Actuarial Assumptions starting with the July 1, 2015 valuation.**

Letters to Point Pleasant City Council and Logan City Council

Mr. Taylor reported that in early June, he sent letters to Point Pleasant's and Logan's City Councils requesting that they provide the MPOB with some direction and a plan for how they are going to begin funding their plans. No formal response has been received from either city. The required contributions and what they've actually received have been discussed in the past several board meetings. In spite of having had several discussions with their Treasurer's and Mayors, the MPOB still has not received any indication that they are going to start funding their plans at a higher level. Mr. Taylor stated that if the MPOB does not get a response, he will be seeking the board's guidance about whether or not to take legal action. Mr. Taylor indicated that the state code specifically requires the city to make the payments that the actuary determines is necessary. Ms. Dooley asked Mr. Taylor to give her an opportunity to speak with the City Clerk and the Mayor of Logan before taking any action against

them. Mr. Neddo suggested waiting to take any action against the two municipalities until after the September 2016 meeting to allow enough time for them to respond to the letters sent by the MPOB.

Having no further business, Mr. Rivera and Mr. Weiss of GRS excused themselves from the meeting.

Audit Services RFQ and Award

Mr. Neddo asked Mr. Taylor to update the board on the status of the Audit Services RFQ. Mr. Taylor updated the board on the status of the Audit Services Request for Quotation (RFQ). After holding the mandatory pre-bid conference and evaluating the bids, Mr. Taylor reported that on June 10, 2016, the MPOB awarded Agency Contract (ACT), MPO1600000003 to Suttle and Stalnaker. After disqualifying a vendor for not meeting a mandatory requirement of the RFQ, Suttle and Stalnaker was the successful vendor with a bid of \$11,900. The audit is due 90 days after the start date of the contract, so hopefully it will be ready to present to the Audit Committee before the September 2016 MPOB meeting. The contract is for one year with two one-year optional renewals.

Approval of RFP for Reviewing Actuary (§8-22-20(c)(5))

Mr. Smith presented the draft of the Request for Proposal (RFP) for the Reviewing Actuary for Requisition MPOB# 1297. Mr. Taylor explained to the board that after doing some research, he had determined that there are approximately 5 or 6 vendors throughout the country who would be qualified to do an audit of the size and scope required by the MPOB. Mr. Smith stated that he is hopeful that GRS will be able to get the 2015 Experience Study done so that it can be included in the audit. The RFP award date will be October 14, 2016. *Motion: Moved by Mr. Slaughter; Seconded by Mr. Fleck; Passed unanimously.*

RESOLVED, that the MPOB approve issuing Request for Proposal (RFP) MPOB#1297ⁱⁱ with changes.

Mr. Neddo recommended that the MPOB appoint a committee to review the bids once they are received. Mr. Kee, Mr. Fleck and Mr. Matthews were selected to serve on the committee. Mr. Slaughter was selected as an alternate.

NEW BUSINESS

Donald A Scurlock vs. Board of Trustees of the Nitro Policemen's Pension and Relief Trust Fund

Mr. Taylor brought the board up to date on a letter dated May 4, 2016 from Ciccarello, Del Guidice, and LaFonⁱⁱⁱ, dated , notifying the MPOB of a pending lawsuit, Donald A. Scurlock vs. Board of Trustees of the Nitro Policemen Pension and Relief Trust Fund. *Moved by Ms. Dooley; Seconded by Mr. Slaughter; Passed with Mr. Neddo and Mr. Payne having abstained from the vote:*

RESOLVED, that the MPOB intervene in the case of Donald A. Scurlock vs. Board of Trustees of the Nitro Policemen's Pension and Relief Trust Fund on behalf of the Nitro Policemen's Pension and Relief Fund.

Ms. Dooley left the meeting at 11:30 a.m. with Chairman Neddo noting that a quorum was still present.

P-Card Expenditures (March, April, May and June 2016)

Mr. Smith presented the P-Card expenditures for March, April, May and June 2016. *MOTION: Moved by Mr. Kee; Seconded by Mr. Matthews; Passed unanimously.*

RESOLVED, that the MPOB accept the P-Card expenditure reports for March, April, May and June 2016^{iv}, as written.

EXECUTIVE DIRECTOR'S REPORT

Mr. Taylor presented his report for the period of March 9, 2016 through June 3, 2016. Mr. Taylor reported that the MPOB went live with its bi-weekly payroll in wvOASIS on May 14, 2016 with the first payroll occurring on June 10, 2016.

Mr. Taylor asked that all meeting attendees drive safely as they return to their offices and homes.

ADJOURNMENT – Having concluded its business, the meeting adjourned. *MOTION: Moved by Mr. Slaughter; Seconded by Mr. Fleck; Passed unanimously:*

RESOLVED, that the June 16, 2016 meeting of the MPOB is adjourned.



Stephen Neddo, Chairman

Minutes approved 9/15/16
(date)

Attachments

- i 2016 Experience Review
- ii Request for Proposal MPOB#1297
- iii Letter from Ciccarello, Del Guidice, and LaFon dated May 4, 2016
- iv P-Card expenditure reports for March, April, May and June 2016

**MUNICIPAL POLICEMEN'S AND FIREMEN'S PENSION AND
RELIEF FUNDS OF WEST VIRGINIA
2016 EXPERIENCE REVIEW
FOR THE YEARS JULY 1, 2009, TO JULY 1, 2014**



May 25, 2016

Mr. Blair M. Taylor
Executive Director
West Virginia Municipal Pensions Oversight Board
1700 MacCorkle Avenue, SE – 3rd Floor
Charleston, WV 25314

Subject: Experience Review for the Period July 1, 2009, to July 1, 2014

Dear Blair:

At your request, we have performed a review of the actuarial assumptions used in the annual actuarial valuation of the Municipal Policemen's and Firemen's Pension and Relief Funds ("the Funds") of West Virginia. The primary purpose of the study is to determine the continued appropriateness of the current actuarial assumptions by comparing actual plan and member experience to expected experience. Our study was based on census information for the period from July 1, 2009, to July 1, 2014, as provided by the Funds' Staff.

Our study includes a review of the experience associated with the following actuarial assumptions:

- Investment Return
- Salary Increases
- Retirement
- Turnover
- Disability
- Mortality

Section I contains a summary of the actuarial assumption review. The detailed results of this analysis are set forth in Section II of this report. Section III contains a summary of all proposed assumptions. Appendix A contains the cost impact on the statutory contribution and funded status of the Fund as a result of the assumption modifications. Finally, Appendix B contains detailed comparison between actual, current and proposed demographic assumptions.

This assumption review is based on data provided by the Funds for the annual actuarial valuations and the allocation of fund assets. We checked for internal and year-to-year consistency, but did not audit the data. We are not responsible for the accuracy or completeness of the information provided.

The results of the experience study and recommended assumptions set forth in this report are based on the data and actuarial techniques and methods described above, and upon the provisions of the Municipal Policemen's and Firemen's Pension and Relief Funds of West Virginia as of the most recent valuation date, July 1, 2014. All calculations have been made in conformity with generally accepted actuarial principles and practices, and with the Actuarial Standards of Practice issued by the Actuarial Standards Board. Based on these items, we certify these results to be true and correct.

Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period or additional cost or contribution requirements based on the plan's funded status); and changes in plan provisions or applicable law.

This report should not be relied on for any purpose other than the purpose stated.

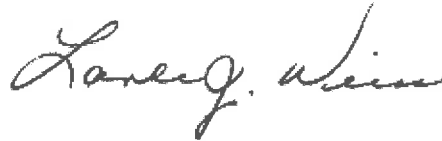
Alex Rivera and Lance J. Weiss are Members of the American Academy of Actuaries, are independent of the plan sponsor and meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion herein.

Respectfully submitted,

Gabriel, Roeder, Smith & Company



Alex Rivera, F.S.A., E.A., M.A.A.A., F.C.A.
Senior Consultant



Lance J. Weiss, E.A., M.A.A.A., F.C.A.
Senior Consultant

**MUNICIPAL POLICEMEN’S AND FIREMEN’S PENSION AND
RELIEF FUNDS OF WEST VIRGINIA
TABLE OF CONTENTS**

Section	Items	Page
	Transmittal Letter	
I	Summary	1
II	Experience Analysis	6
III	Recommended Assumptions	39
	Appendix A	43
	Appendix B	45

SECTION I
SUMMARY

MUNICIPAL POLICEMEN'S AND FIREMEN'S PENSION AND RELIEF FUNDS OF WEST VIRGINIA

SUMMARY

Background

For any pension plan, actuarial assumptions are selected that are intended to provide reasonable estimates of future expected events, such as retirement, turnover and mortality. These assumptions, along with an actuarial cost method, the employee census data and the plan's provisions are used to determine the actuarial liabilities and overall actuarially determined funding requirements for the plan. The true cost to the plan over time will be the actual benefit payments and expenses required by the plan's provisions for the participant group under the plan. To the extent the actual experience deviates from the assumptions, experience gains and losses will occur. Gains reduce future actuarially determined contributions and increase the funded ratio. Losses increase future actuarially determined contributions and reduce the funded ratio. The actuarial assumptions should be individually reasonable and consistent in the aggregate, and should be reviewed periodically to ensure that they remain appropriate. The actuarial cost method, for plan sponsors that use actuarially based funding policies, automatically adjusts contributions over time for differences between what is assumed and the true experience under the plan.

The Actuarial Standards Board ("ASB") provides guidance on measuring the costs of financing a retirement program through the following Actuarial Standards of Practices ("ASOP"):

- (1) ASOP No. 4, *Measuring Pension Obligations and Determining Pension Plan Costs or Contributions*;
- (2) ASOP No. 27, *Selection of Economic Assumptions for Measuring Pension Obligations*;
- (3) ASOP No. 35, *Selection of Demographic and Other Noneconomic Assumptions for Measuring Pension Obligations*; and
- (4) ASOP No. 44, *Selection and Use of Asset Valuation Methods for Pension Valuations*.

The recommendations provided in this report are consistent with the preceding actuarial standards of practice.

A revised version of ASOP No. 27 was adopted in September 2013. The revised statement is applicable for valuations with a measurement date on or after September 30, 2014. Therefore, the first valuation for the Municipal Policemen's and Firemen's Pension and Relief Funds that is impacted by the revised statement is the June 30, 2015, actuarial valuation.

In developing specific economic actuarial assumptions, ASOP No. 27 requires the actuary to follow a general process of:

- (1) Identifying the components of the assumption;
- (2) Evaluating relevant data;
- (3) Considering specific and general factors related to the measurement; and
- (4) Selecting a reasonable assumption.

In evaluating relevant data, the actuary should include appropriate recent and long-term historic data, but not give undue weight to recent experience.

MUNICIPAL POLICEMEN'S AND FIREMEN'S PENSION AND RELIEF FUNDS OF WEST VIRGINIA SUMMARY

Prior to the revision under ASOP No. 27, actuaries could use a “best-estimate” range to determine reasonableness for the assumption. Under the best-estimate standard, an assumption was deemed reasonable if it was selected from within a probabilistic range over which it was “more likely than not” to fall. However, under the revised ASOP No. 27, an assumption is considered reasonable if:

- It is appropriate for the purpose of the measurement;
- It reflects the actuary’s professional judgment;
- It takes into account historical and current economic data that is relevant as of the measurement date;
- It reflects the actuary’s estimate of future experience, the actuary’s observation of the estimates inherent in market data, or a combination thereof; and
- It has no significant bias (i.e., it is not significantly optimistic or pessimistic).

Thus, the economic assumption recommendation has moved from a range to a single estimate.

Also according to the revised ASOP No. 27, the actuary should recognize the uncertain nature of the items for which assumptions are selected and, as a result, may consider several different assumptions reasonable for a given measurement. The actuary should also recognize that different actuaries will apply different professional judgment and may choose different reasonable assumptions. As a result, a narrow range of reasonable assumptions may develop both for an individual actuary and across actuarial practice.

Assumptions Reviewed

The actuarial assumptions are usually divided into three categories:

1. Economic assumptions, which include:
 - Assumed rate of price inflation (as measured by the change in the Consumer Price Index for all urban consumers)
 - Underlies all other economic assumptions
 - Assumed long-term rate of return on investments
 - Rate at which projected benefits are reduced to present value
 - General wage increases
 - Reflects inflationary forces on increases in pay for all members
 - Rate of payroll growth
 - Reflects expectation of growth in total payroll and affects level percent of pay statutory contribution

The economic assumptions are generally chosen on the basis of the actuary’s expectations as to the effect of future economic conditions on the operation of the plan, with input from Staff, the Board and other investment advisors.

MUNICIPAL POLICEMEN'S AND FIREMEN'S PENSION AND RELIEF FUNDS OF WEST VIRGINIA

SUMMARY

2. Demographic assumptions, which include the following rates:

- Mortality
- Retirement
- Withdrawal (other termination of employment)
- Disability

Demographic assumptions are generally based on the plan's own experience, taking into account emerging trends. Rates of salary increase due to promotion and longevity are also related to the plan's experience.

The accuracy and extent of the data is an important consideration in assessing demographic experience. The accuracy of the data for this study was good, but a very large amount of data is required to develop a credible mortality table. For this reason, we do not necessarily give full credibility to the actual mortality experience of the Funds (since it is so limited), but also factor in general experience among a wider universe of pension plans and retirement systems. The selection of the mortality table will therefore be based on a combination of the plan's actual experience and general trends among the universe of pension plans and retirement systems.

3. Other methods and assumptions, which include the following:

- Cost method
- Amortization method
- Asset smoothing method
- Pay increase and decrement timing assumptions

Key Findings and Recommendations

Gabriel, Roeder, Smith & Company ("GRS") has performed an experience study of the Municipal Policemen's and Firemen's Pension and Relief Funds ("the Funds") of West Virginia for the period from July 1, 2009, to July 1, 2014. The primary purpose of the study was to compare the demographic and economic experience against the actuarial assumptions used in the valuations. Our study was based on the information used to perform the annual actuarial valuations for the period from July 1, 2009, to June 30, 2014.

Following is a summary of our key findings and recommendations:

- **Price inflation:** We recommend lowering the rate of price inflation from 3.00 percent to 2.75 percent.
- **Investment return:** We recommend lowering the rate 50 basis points across all plans. The rate for most plans would fall within the 4.5 percent to 6.5 percent range. For plans currently less than 15 percent funded, and projected to be less than 15 percent funded in 15 years, we recommend a 4.0 percent investment return rate.
- **Payroll growth assumption:** We recommend lowering the general payroll growth assumption from 4.00 percent to 3.75 percent, which reflects an underlying general price inflation assumption of 2.75 percent.

MUNICIPAL POLICEMEN'S AND FIREMEN'S PENSION AND RELIEF FUNDS OF WEST VIRGINIA SUMMARY

- **Salary increase:** We reviewed salary experience for the period from July 1, 2009, to July 1, 2014. We determined salary increases between valuations and calculated average annual salary increases. We recommend increasing the salary increase assumption from its current level to better reflect recent experience.
- **Normal retirement rates:** We recommend decreasing the overall rates to better reflect observed experience.
- **Turnover rates:** We recommend increasing the current rate for younger members age 20 to 34, decreasing the rate for members age 35 to 44 and slightly increasing rate for members age 45 to 49.
- **Disability Rates:** We recommend decreasing the overall rates and increasing duty related disability percentage from 40% to 60% to better reflect observed experience.
- **Mortality rates:** We recommend changing from the 1994 Group Annuity Mortality table to the RP-2014 Blue Collar Total Healthy Annuitant Mortality table, with projected generational mortality improvement, for the post-retirement mortality assumption. We recommend using RP-2014 Blue Collar Total Healthy Annuitant Mortality table, set forward four years, with projected generational mortality improvement, for the disabled mortality assumption. We recommend using the RP-2014 Blue Collar Total Employee Mortality table for the pre-retirement mortality assumption. This new mortality table is a move from a single dimensional age-based table to a two dimensional table, where the year a person was born also influences their mortality rate. The specific mortality table recommendations and a more detailed description of the new mortality tables can be found in Section II.

MUNICIPAL POLICEMEN'S AND FIREMEN'S PENSION AND RELIEF FUNDS OF WEST VIRGINIA SUMMARY

The impact of adopting the recommended assumptions is summarized in the table below. The recommended assumptions increase the actuarial liability and decrease the funded ratio.

	Baseline Valuation	Impact of Recommended Assumptions	Recommended Assumptions
Valuation Date:	June 30, 2014	June 30, 2014	June 30, 2014
	(1)	(2)	(1) + (2)
Actuarial Information			
• Employer Normal Cost	\$ 22,210,774	\$ 10,225,272	\$ 32,436,046
• Actuarial Accrued Liability (AAL)			
Active Members	\$ 425,164,275	\$ 69,357,178	\$ 494,521,453
Annuitants	835,001,178	102,578,428	937,579,606
Inactive Members	12,777,528	1,548,811	14,326,339
Total	\$ 1,272,942,981	\$ 173,484,417	\$ 1,446,427,398
• Market Value of Asset	\$ 307,953,940	\$ -	\$ 307,953,940
• Unfunded Actuarial Accrued Liability	\$ 964,989,041	\$ 173,484,417	\$ 1,138,473,458
• Funded Ratio based on MVA	24.19%	-2.90%	21.29%
Actuarially Determined Contribution (ADC) ^a :	\$ 65,717,903	\$ 16,305,017	\$ 82,022,920

^a The Actuarially Determined Contribution is based on the provisions of GASB Statements Nos. 67 and 68 and equals the net employer cost plus the amortization of the unfunded actuarial liability. The amortization is 17 years (as of July 1, 2014) level dollar if the plan uses the standard funding policy or changed from the standard funding policy to the optional funding policy. The amortization is 26 years (as of July 1, 2014) level percentage of pay for all other plans.

In the aggregate the actuarial liabilities increased by 14 percent or \$173 million, and the normal cost net of employee contributions increased by 46 percent or \$10.2 million. Changes to the investment return assumption and the mortality table were the key drivers of the increase in costs.

For most plans the investment return, which is used to discount expected future benefit payments, increased the actuarial liability by approximately 5 to 7 percent. For plans with a 15-year projected funded ratio of 15 percent or less, the change in investment return increased liabilities by 12 to 20 percent. The change in interest rates has a greater impact on the active member actuarial liability and normal cost due to the additional discounting from attained age to the expected retirement age.

The proposed RP 2014 mortality table reflects two key changes when compared to the current table, GAM 94. First, the proposed table includes updated mortality experience through 2010. Secondly, the proposed table includes a provision for future mortality improvements. For example, under the proposed table, the mortality rate for a 60-year old member born in 1960 will be greater than a 60-year old member born in 1980. The generational mortality improvement provision will have a greater impact on active members. Updating the mortality table, before the generational improvements, increased costs by approximately 4 to 7 percent. Including the generational improvement factors increased costs by another 4 to 7 percent.

SECTION II
EXPERIENCE ANALYSIS

MUNICIPAL POLICEMEN'S AND FIREMEN'S PENSION AND RELIEF FUNDS OF WEST VIRGINIA ECONOMIC ASSUMPTIONS

Economic assumptions reflect the effects of economic forces on the projections of retirement benefits payable from a pension plan and in the discounting of those benefits to present value.

These assumptions are based, at their core, on the assumed level of price inflation. Each economic assumption is then developed from expected spreads over price inflation. Since price inflation is relatively volatile and is subject to a number of influences not based on recent history, these assumptions are less reliably based on recent past experience than are the demographic assumptions.

The key economic assumptions in this analysis are:

1. Assumed Rate of Inflation – The rate of price inflation (as measured by the Consumer Price Index for all Urban consumers) which underlies the remainder of the economic assumptions.
2. Assumed Rate of Investment Return – The rate at which projected future benefits under the system are reduced to present value, and future assets are projected to grow.
3. Rate of General Annual Pay Increases – This reflects inflationary forces on increases in pay for individual members.

Inflation

By “inflation,” we mean price inflation, as measured by annual increases in the Consumer Price Index (CPI). This inflation assumption underlies all of the other economic assumptions we employ. It not only impacts investment return, but also salary increase rates, and the payroll growth assumption. The current annual inflation assumption is 3.00 percent.

The CPI-U has increased at an average rate of 1.83 percent over the five-year period from June 2010 through June 2015, and 2.02 percent over the experience study period from June 2009 through June 2014. However, the assumed inflation rate is only weakly tied to past results.

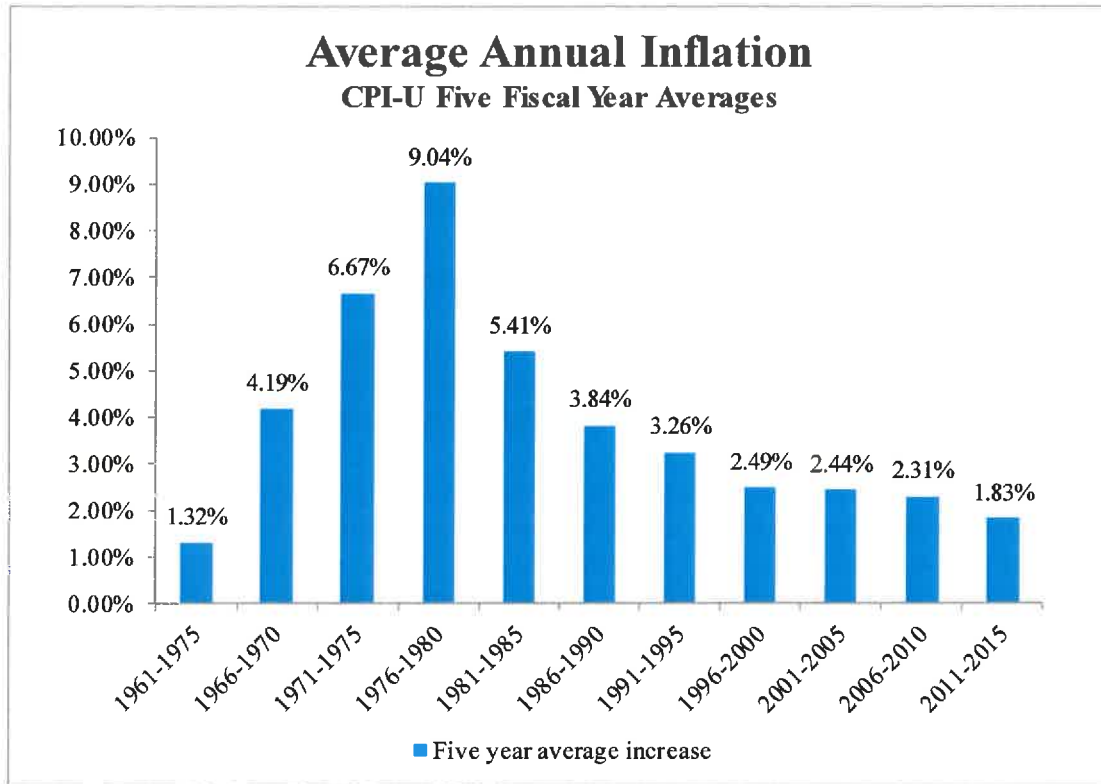
The table below shows the average inflation over various periods, ending June 2015.

Fiscal Year	Annual Increase in CPI-U
2010-11	3.56%
2011-12	1.66%
2012-13	1.75%
2013-14	2.07%
2014-15	0.12%
3 - Year Average	1.31%
5 - Year Average	1.83%
10 - Year Average	2.07%
20 - Year Average	2.26%
25 - Year Average	2.46%
30 - Year Average	2.69%
40 - Year Average	3.80%
50 - Year Average	4.13%

MUNICIPAL POLICEMEN'S AND FIREMEN'S PENSION AND RELIEF FUNDS OF WEST VIRGINIA

ECONOMIC ASSUMPTIONS

The graph below shows the average inflation over 5-year periods over the last 50 years:



In the Social Security Administration's 2015 Trustees Report, the Office of the Chief Actuary is projecting a long-term average annual inflation rate of 2.7 percent under the intermediate cost assumption. (The inflation assumption is 3.4 percent and 2.0 percent, respectively, in the low cost and high cost projection scenarios.)

Therefore, we believe a reasonable long-term inflation assumption will likely fall in the range of 2.00 percent to 3.40 percent, although we recognize that inflation may fall outside this range over the next few years. We are recommending the inflation assumption be lowered from 3.00 percent to 2.75 percent. This is close to the average of 2.69 percent over the last 30 years and consistent with the assumption used by the SSA Office of the Chief Actuary for the intermediate cost projections.

Investment Return ASOP 27

Actuaries are required to comply with Actuarial Standard of Practice No. 27 ("ASOP No. 27") in setting economic assumptions for retirement plans, including the assumed investment return rate.

In a public retirement system, it is ultimately the Retirement Board's responsibility to approve the actuarial assumptions used in the actuarial valuations. It is the actuary's duty to provide the Board with information needed to make those decisions and to make recommendations to the Board.

MUNICIPAL POLICEMEN'S AND FIREMEN'S PENSION AND RELIEF FUNDS OF WEST VIRGINIA ECONOMIC ASSUMPTIONS

Although the Board is the ultimate decision-making body, we are still bound by ASOP No. 27 in providing advice or recommendations to the Board.

According to the revised ASOP No. 27 applicable to actuarial valuations with a measurement date on or after September 30, 2014, each economic assumption selected by the actuary should be reasonable. For this purpose, an assumption is reasonable if it has the following characteristics:

- It is appropriate for the purpose of the measurement;
- It reflects the actuary's professional judgment;
- It takes into account historical and current economic data that is relevant as of the measurement date;
- It reflects the actuary's estimate of future experience, the actuary's observation of the estimates inherent in market data, or a combination thereof; and
- It has no significant bias (i.e., it is not significantly optimistic or pessimistic).

Also according to the revised ASOP No. 27, the actuary should recognize the uncertain nature of the items for which assumptions are selected and, as a result, may consider several different assumptions reasonable for a given measurement. The actuary should also recognize that different actuaries will apply different professional judgment and may choose different reasonable assumptions. As a result, a narrow range of reasonable assumptions may develop both for an individual actuary and across actuarial practice.

Real Return

The allocation of assets within the universe of investment options will significantly impact the overall performance. Therefore, it is meaningful to identify the range of expected returns based on the fund's targeted allocation of assets and an overall set of capital market assumptions.

The following list shows representative asset allocation policies for two local police and fire pension funds.

- (1) **Policy One:** represents a moderately-funded plan with an actuarially sound policy. For example, a plan with a 60 percent funded ratio as of the valuation date that receives contributions under the standard or optional policy funding policy. The current rate of return assumption for Policy One is 7 percent.
- (2) **Policy Two:** represents a low-funded plan with a funding policy that generally is not considered to be actuarially sound. For example, a plan with a 30 percent funded ratio as of the valuation date that receives contributions under the alternative funding policy. The current rate of return assumption for Policy Two is 6.5 percent.

MUNICIPAL POLICEMEN'S AND FIREMEN'S PENSION AND RELIEF FUNDS OF WEST VIRGINIA ECONOMIC ASSUMPTIONS

The following table compares the asset allocation for the two representative policies:

Asset Class	Policy Weight (%)	
	Policy One	Policy Two
Cash, Receivables and Short-term Investments	2.40%	20.26%
Government Securities	12.96%	20.99%
Corporate Fixed Income	32.48%	15.85%
Corporate Equity	49.33%	42.90%
Alternative Investments	2.84%	0.00%
Total Portfolio	100.00%	100.00%

Because GRS is a benefits consulting firm and does not provide investment advice, we reviewed capital market assumptions developed and published by independent investment consulting firms.

These investment consulting firms periodically issue reports that describe their capital market assumptions; that is, their estimates of expected returns, volatility and correlations among the different asset classes. While some of these assumptions may be based upon historical analysis, many of these investment consulting firms also incorporate forward looking adjustments to better reflect near-term and long-term expectations. The estimates for core investments (i.e., fixed income, equities and real estate) are generally based on anticipated returns produced by passive index funds.

Given the two representative asset allocation policies described previously and the capital market assumptions from the sample of investment consultants, the development of the average nominal return, net of investment expenses, for a 30-year investment horizon, is provided in the following tables for two representative investment consultants:

**MUNICIPAL POLICEMEN'S AND FIREMEN'S PENSION AND
RELIEF FUNDS OF WEST VIRGINIA
ECONOMIC ASSUMPTIONS**

Policy One with Thirty-year Investment Horizon								
Investment Consultant	Investment Consultant Expected One Year Nominal Return	Investment Consultant Inflation Assumption	Expected Real Return (2)-(3)	Actuary Inflation Assumption	Expected Nominal Return (4)+(5)	Investment Expense	Expected Nominal Return Net of Expenses (6)-(7)	Standard Deviation of Expected Return (1-Year)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1	6.00%	2.11%	3.89%	2.75%	6.64%	0.20%	6.44%	9.90%
2	6.95%	2.25%	4.70%	2.75%	7.45%	0.20%	7.25%	10.60%
Average	6.47%	2.18%	4.29%	2.75%	7.04%	0.20%	6.84%	10.25%

Policy Two with Thirty-year Investment Horizon								
Investment Consultant	Investment Consultant Expected One Year Nominal Return	Investment Consultant Inflation Assumption	Expected Real Return (2)-(3)	Actuary Inflation Assumption	Expected Nominal Return (4)+(5)	Investment Expense	Expected Nominal Return Net of Expenses (6)-(7)	Standard Deviation of Expected Return (1-Year)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1	5.43%	2.11%	3.32%	2.75%	6.07%	0.20%	5.87%	8.60%
2	6.15%	2.25%	3.90%	2.75%	6.65%	0.20%	6.45%	8.60%
Average	5.79%	2.18%	3.61%	2.75%	6.36%	0.20%	6.16%	8.60%

Based on each firm's capital market assumptions and the representative asset allocation policies described above, we estimated the expected one-year real return of each policy's portfolio (col. (4)). Next, based on the actuary's recommended inflation and investment expense assumption, we estimated the nominal return net of investment expenses (col. (8)).

- (1) **Policy One:** As the table shows, the average one-year nominal return (net of expenses) is 6.84 percent under a 30-year horizon, which is 0.16 percent less than the current assumption of 7.00 percent.
- (2) **Policy Two:** The average one-year nominal return (net of expenses) is 6.16 percent under a 30-year horizon, which is 0.34 percent less than the current assumption of 6.50 percent.

In addition to examining the expected one-year return, it is important to review the anticipated volatility of the investment portfolio and understand the range of long-term net returns that could be expected to be produced by the investment portfolio. Therefore, the following table provides the 25th, 50th and 75th percentiles of the 30-year geometric average of the expected nominal return, net of expenses, as well as the probability of exceeding 5.00, 5.50, 6.00, 6.50 or 7.00 percent, for the two representative asset allocation policies.

**MUNICIPAL POLICEMEN'S AND FIREMEN'S PENSION AND
RELIEF FUNDS OF WEST VIRGINIA
ECONOMIC ASSUMPTIONS**

Policy One with Thirty-year Investment Horizon								
Investment Consultant	Distribution of 30-Year Average Geometric Net Nominal Return			Probability of exceeding 5.00%	Probability of exceeding 5.50%	Probability of exceeding 6.00%	Probability of exceeding 6.50%	Probability of exceeding 7.00%
	25th	50th	75th					
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1	4.50%	5.97%	7.46%	62.3%	56.0%	49.6%	43.2%	37.0%
2	5.13%	6.71%	8.32%	69.8%	64.3%	58.5%	52.6%	46.6%
Average	4.82%	6.34%	7.89%	66.1%	60.2%	54.1%	47.9%	41.8%

Policy Two with Thirty-year Investment Horizon								
Investment Consultant	Distribution of 30-Year Average Geometric Net Nominal Return			Probability of exceeding 5.00%	Probability of exceeding 5.50%	Probability of exceeding 6.00%	Probability of exceeding 6.50%	Probability of exceeding 7.00%
	25th	50th	75th					
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1	4.24%	5.52%	6.81%	57.7%	50.3%	42.9%	35.8%	29.2%
2	4.82%	6.10%	7.39%	65.9%	58.8%	51.4%	44.0%	36.9%
Average	4.53%	5.81%	7.10%	61.8%	54.5%	47.2%	39.9%	33.1%

For each portfolio, the geometric return is shown under a long-term time horizon of 30 years. For the purpose of an actuarial valuation, a longer investment horizon, such as 30 years, is preferable and more credible.

- (1) **Policy One:** The above table shows a 50 percent likelihood that the 30-year average net nominal return will fall between 4.82 percent and 7.89 percent. On average, there is about a 48 percent chance that Policy One will produce an average return that exceeds 6.50 percent over the next 30 years.
- (2) **Policy Two:** The above table shows a 50 percent likelihood that the 30-year average net nominal return will fall between 4.53 percent and 7.10 percent. On average, there is about a 47 percent chance that Policy Two will produce an average return that exceeds 6.00 percent over the next 30 years.

MUNICIPAL POLICEMEN'S AND FIREMEN'S PENSION AND RELIEF FUNDS OF WEST VIRGINIA ECONOMIC ASSUMPTIONS

Recommendation

As indicated above, an investment return assumption of 6.5 percent could possibly be supported if a plan is at least marginally funded (i.e., 50 percent) and is receiving contributions under an actuarially sound funding policy such as the standard or optional policy. However, it may be difficult to apply the preceding basis to plans with low funded ratios that are funded under either the alternative or conservation policies, which are generally not considered to be actuarially sound. Consequently, an alternative approach is to set the investment return by evaluating the following additional factors for each plan:

- Investment policy, including allocation to equities, alternative investments and other asset classes;
- Funded ratio as of the valuation date;
- Liquidity requirements;
- Investment policy;
- Contribution policy (alternative, standard, optional or conservation) used for 15-year projection of funded ratio; and
- Projected funded ratio.

The projected funded ratio is based on projected sponsor contributions that reflect whether or not the sponsor has made the statutory required contribution during the last five years.

The following table outlines our recommended approach:

Funded Ratio as of Valuation Date ¹	Liquidity Ratio ²	Equity Exposure ³	Projected Funded Ratio after 15 Years ¹	Current Discount Rate	Proposed Discount Rate
60% or more	10	50% or more	70% or more	7.0%	6.5%
40% or more	8	40% or more	60% or more	6.5%	6.0%
30% or more	6	30% or more	50% or more	6.0%	5.5%
15% or more	4	n/a	40% or more	5.5%	5.0%
Less than 15%	n/a	n/a	15% or more	5.0%	4.5%
Less than 15%	n/a	n/a	Less than 15%	5.0%	4.0%

¹ Funded ratios are based on an investment return assumption of 6.5 percent under the current policy and 6.0 percent under the proposed policy for plans using an actuarially sound funding policy (standard or optional). For plans using the alternative or conservation funding policy, the funded ratios are based on an investment return assumption of 6.0 percent under the current policy and 5.5 percent under the proposed policy.

² Liquidity ratio equals assets as of the valuation date divided by expected benefits for the upcoming year.

³ Based on investment policy. Includes equities and alternative investments.

Based on the preceding proposed methodology, we expect that discount rate for most plans would fall within the 4.0 percent to 6.5 percent range. However, certain plans may significantly exceed or fail the metrics shown in the above table. For such plans, we recommend a more thorough evaluation to determine if a discount rate outside of the 4.0 percent to 6.5 percent range can be supported.

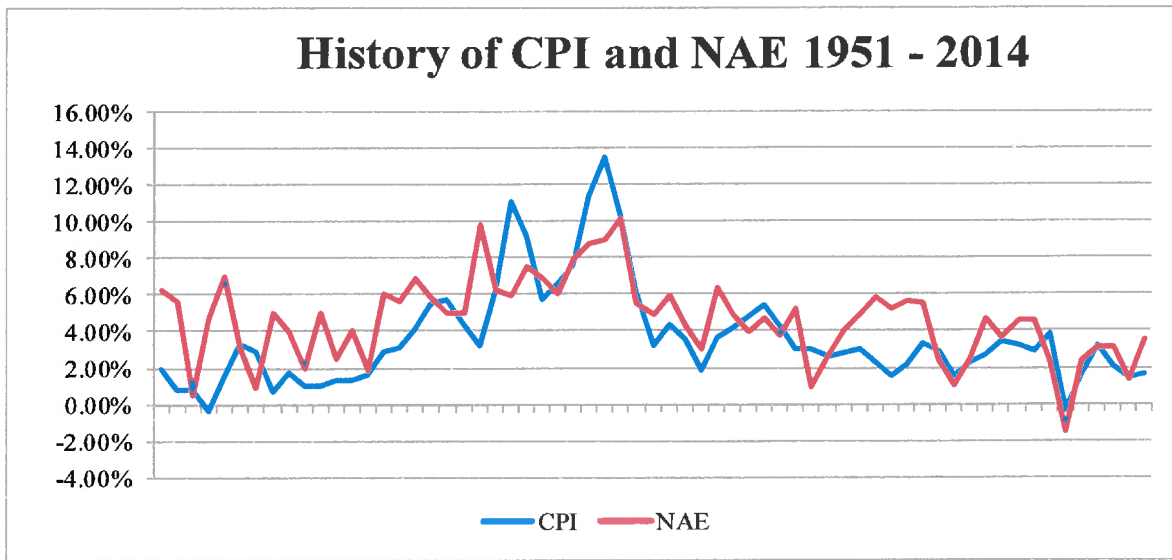
MUNICIPAL POLICEMEN'S AND FIREMEN'S PENSION AND RELIEF FUNDS OF WEST VIRGINIA

ECONOMIC ASSUMPTIONS

General Wage Increase and Payroll Growth Assumption

The actuarial assumptions make a distinction between price inflation (currently assumed to be 3.00 percent) and the rate of payroll growth (currently assumed to be 4.00 percent). The National Average Earnings (NAE) series published in connection with the operation of the Social Security program is a useful proxy for measuring general changes in wage levels in the economy. Increases in NAE typically exceed increases in the Consumer Price Index (CPI), although there are periods where the patterns are reversed. The economic argument for wages exceeding prices in the long run is that CPI is based on the prices of a fixed basket of goods whereas wages reflect innovations, real productivity growth, labor supply and demand, and other factors in addition to pure price inflation.

The following table presents a history of CPI and NAE returns over time.



Over the last 63 years, NAE has exceeded CPI 42 times and the averages over that period are 4.6 percent for NAE and 3.6 percent for CPI. The last 25 years has had fewer cases of high inflation, but the distinction between prices and wages still appears. Over the last 25 years, the average increase in NAE is 3.4 percent and the average increase in CPI is 2.6 percent.

As with the investment return assumption, past experience does not dictate future expectations. Current expectations are mixed on whether price and wage inflation will remain low in the short term, particularly due to the aftereffects of recent federal government spending. For a long-term view, the 2015 Annual Report from the Trustees of the Social Security Administration (“SSA”) assumes an intermediate average CPI of 2.7 percent over the next 75 years and an intermediate growth assumption for average wages in covered employment of 3.9 percent. The SSA report provides alternate “Low-cost” assumptions of 3.4 percent CPI/5.2 percent wages and “High-cost” assumptions of 2.0 percent CPI/2.6 percent wages.

With ongoing pressure on the ability of states to sustain across the board increases in wages consistent with historical norms, we do not believe there is justification to increase the assumption for

MUNICIPAL POLICEMEN'S AND FIREMEN'S PENSION AND RELIEF FUNDS OF WEST VIRGINIA ECONOMIC ASSUMPTIONS

productivity increases; in other words, to increase the assumed gap between price increase and wage growth. Therefore, we recommend maintaining the assumption for productivity increases at 1.00 percent. Combining this recommendation with our recommended 2.75 percent inflation assumption implies a wage growth assumption of 3.75 percent. These assumptions are summarized below:

	Present Assumption	Observed Experience	Recommended Assumption
General Inflation	3.00%	2.02%	2.75%
Productivity Increases	1.00%	0.99%	1.00%
Total Wage Inflation	4.00%	3.01%	3.75%

Salary Increase

The components that determine the total salary increase are wage inflation, merit and longevity increases and promotion increases.

Key Findings and Recommendation

The actual salary experience for the period July 1, 2009, through June 30, 2014, is as follows:

Service	Service Based Increase	General Inflation	Productivity Increases	Total Salary Increase
1	23.23%	2.02%	0.99%	26.23%
2	6.66%	2.02%	0.99%	9.66%
3	3.43%	2.02%	0.99%	6.44%
4	2.76%	2.02%	0.99%	5.77%
5-9	2.48%	2.02%	0.99%	5.49%
10-29	2.08%	2.02%	0.99%	5.09%
30-34	1.25%	2.02%	0.99%	4.26%
35+	0.00%	2.02%	0.99%	3.01%

Consequently, we recommend using the following set of salary increase factors for all municipalities as follows:

Service	Service Based Increase	General Inflation	Productivity Increases	Total Salary Increase
1	20.00%	2.75%	1.00%	23.75%
2	6.50%	2.75%	1.00%	10.25%
3	3.50%	2.75%	1.00%	7.25%
4	2.75%	2.75%	1.00%	6.50%
5-9	2.50%	2.75%	1.00%	6.25%
10-29	2.00%	2.75%	1.00%	5.75%
30-34	1.25%	2.75%	1.00%	5.00%
35+	0.00%	2.75%	1.00%	3.75%

**MUNICIPAL POLICEMEN'S AND FIREMEN'S PENSION AND
RELIEF FUNDS OF WEST VIRGINIA
ECONOMIC ASSUMPTIONS**

The following Tables and Graphs compare the salary experience, current assumptions and recommended assumptions by years of service for each of the following:

- Table and Graph I(a) – Salary Experience by Service – Includes General Inflation and Productivity Increases
- Table and Graph I(b) – Salary Experience by Service – Excludes General Inflation and Productivity Increases

**MUNICIPAL POLICEMEN'S AND FIREMEN'S PENSION AND
RELIEF FUNDS OF WEST VIRGINIA
ECONOMIC ASSUMPTIONS**

Table I(a)

**Municipal Policemen's and Firemen's Pension and Relief Funds
Salary Experience by Service – Includes General Inflation and Productivity Increases
For the Period July 1, 2009, through July 1, 2014**

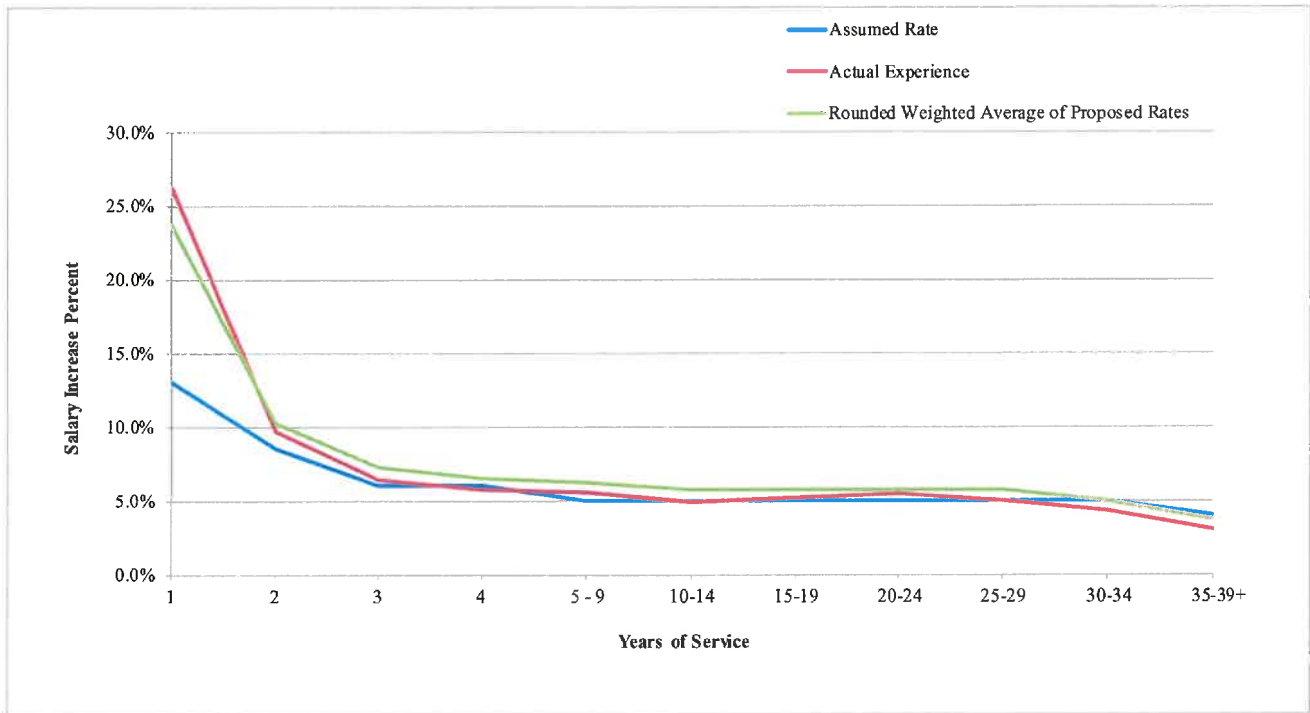
Service at End of Year	Number	Actual Rate	Expected Rate	Actual / Expected	Proposed Rate ¹	Actual / Proposed
1	381	26.23%	13.00%	2.0	23.75%	1.1
2	423	9.66%	8.50%	1.1	10.25%	0.9
3	450	6.44%	6.00%	1.1	7.25%	0.9
4	469	5.77%	6.00%	1.0	6.50%	0.9
5 - 9	1,945	5.49%	5.00%	1.1	6.25%	0.9
10-14	1,663	4.84%	5.00%	1.0	5.75%	0.8
15-19	1,535	5.14%	5.00%	1.0	5.75%	0.9
20-24	905	5.44%	5.00%	1.1	5.75%	0.9
25-29	199	4.92%	5.00%	1.0	5.75%	0.9
30-34	55	4.26%	5.00%	0.9	5.00%	0.9
35-39+	26	3.01%	4.00%	0.8	3.75%	0.8
Total	8,051	6.52%	5.67%	1.1	7.07%	0.9

¹ Rounded weighted Average of Proposed Rates

**MUNICIPAL POLICEMEN'S AND FIREMEN'S PENSION AND
RELIEF FUNDS OF WEST VIRGINIA
ECONOMIC ASSUMPTIONS**

Graph I(a)

**Municipal Policemen's and Firemen's Pension and Relief Funds
Salary Experience by Service – Includes General Inflation and Productivity Increases
For the Period July 1, 2009, through July 1, 2014**



**MUNICIPAL POLICEMEN'S AND FIREMEN'S PENSION AND
RELIEF FUNDS OF WEST VIRGINIA
ECONOMIC ASSUMPTIONS**

Table I(b)

**Municipal Policemen's and Firemen's Pension and Relief Funds
Salary Experience by Service – Excludes General Inflation and Productivity Increases
For the Period July 1, 2009, through July 1, 2014**

Service at End of Year	Number	Actual Rate ¹	Expected Rate ²	Actual / Expected	Proposed Rate ^{3,4}	Actual / Proposed
1	381	23.23%	9.00%	2.6	20.00%	1.2
2	423	6.66%	4.50%	1.5	6.50%	1.0
3	450	3.43%	2.00%	1.7	3.50%	1.0
4	469	2.76%	2.00%	1.4	2.75%	1.0
5 - 9	1,945	2.48%	1.00%	2.5	2.50%	1.0
10-14	1,663	1.83%	1.00%	1.8	2.00%	0.9
15-19	1,535	2.13%	1.00%	2.1	2.00%	1.1
20-24	905	2.44%	1.00%	2.4	2.00%	1.2
25-29	199	1.91%	1.00%	1.9	2.00%	1.0
30-34	55	1.25%	1.00%	1.3	1.25%	1.0
35-39+	26	0.00%	0.00%		0.00%	
Total	8,051	3.52%	1.67%	2.1	3.32%	1.1

¹ Total increase less average inflation of 2.02 percent and productivity increases of 0.99 percent over experience study period.

² Expected total increase less expected general inflation of 3.00 percent and productivity increases of 1.00 percent.

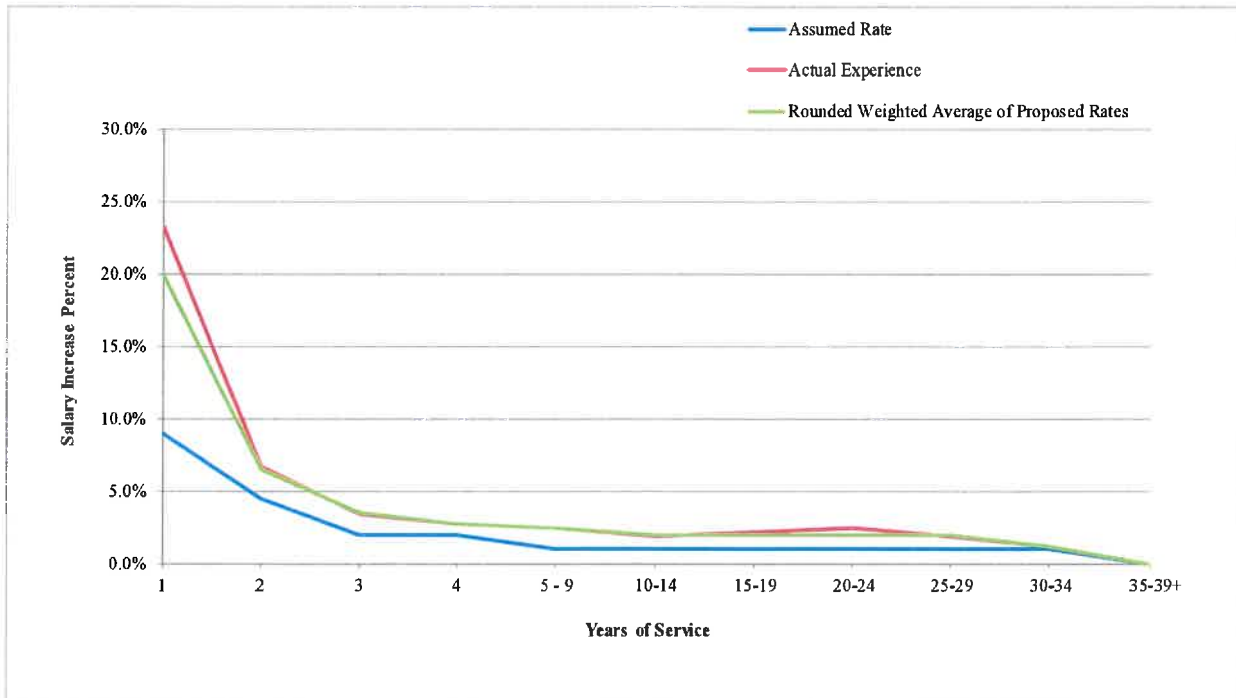
³ Proposed total increase less proposed general inflation of 2.75 percent and productivity increases of 1.00 percent.

⁴ Rounded weighted Average of Proposed Rates.

**MUNICIPAL POLICEMEN'S AND FIREMEN'S PENSION AND
RELIEF FUNDS OF WEST VIRGINIA
ECONOMIC ASSUMPTIONS**

Graph I(b)

**Municipal Policemen's and Firemen's Pension and Relief Funds
Salary Experience by Service – Excludes General Inflation and Productivity Increases
For the Period July 1, 2009, through July 1, 2014**



MUNICIPAL POLICEMEN'S AND FIREMEN'S PENSION AND RELIEF FUNDS OF WEST VIRGINIA DEMOGRAPHIC ASSUMPTIONS

The following pages present the analysis of the demographic assumptions. These assumptions include assumed rates of mortality among active and retired members, retirement patterns, disability incidence and turnover patterns. These assumptions generally take the form of tables of rates of incidence based on age and/or years of service.

Absent any significant changes in benefit provisions, these assumptions generally exhibit reasonable consistency over periods of time. As a result, each demographic assumption is normally reviewed by relating actual experience to that assumed over the recent past.

The analysis of demographic experience is conducted for each assumption using a measure known as the "Actual to Expected (A/E) Ratio." The A/E Ratio is simply the ratio of the actual number of occurrences of the event to which the assumption applies (e.g., deaths or retirements) to the number expected to occur in accordance with the assumption. An A/E Ratio of 1.00 indicates that the assumption precisely predicted the number of occurrences. An A/E Ratio exceeding 1.00 indicates that the assumption underestimated actual experience. Conversely, an A/E Ratio lower than 1.00 indicates that the assumption overestimated actual experience.

These are statistical analyses. As a result, there are several considerations we must keep in mind as we analyze these ratios:

1. An actuarial assumption is designed to reflect average experience over long periods of time (30 - 50 years). As a result:
 - a. A deviation between actual experience and that expected from our assumptions for one or two years does not necessarily mean that the assumption should be changed.
 - b. A change in an actuarial assumption should result if the experience indicates a consistent pattern which is different from that assumed over a period of years.
2. The larger the amount of data available, the more reliable the statistics used in the analysis. As a result:
 - a. Events that occur with great frequency (e.g., general employment turnover) are more credibly predictable than those occurring less frequently (e.g., active member death).
 - b. In all cases, data covering the entire study period produce more credible results than data for a single year.
 - c. Year-by-year experience is helpful primarily in identifying trends and determining whether the data is truly reflective of the entire period.

This analysis is based on the actuarial valuation data for the period July 1, 2009, through July 1, 2014.

MUNICIPAL POLICEMEN'S AND FIREMEN'S PENSION AND RELIEF FUNDS OF WEST VIRGINIA DEMOGRAPHIC ASSUMPTIONS

Retirement

The Funds plan provisions establish the minimum eligibility requirements for retirement as the earlier of age 50 with 20 years of credited service or age 65.

The retirement annuity is determined according to the following formula based upon the member's final rate of salary:

- 60% of average annual compensation, not less than \$6,000; plus
- 2% for each year of service between 20 to 25; plus
- 1% for each year of service between 25 to 30; plus
- Additional 1% of average annual compensation for each year of military service up to four years.

The maximum retirement annuity is 75% of the final rate of salary.

Retirement cost, however, is determined not by the minimum eligibility requirements but by the ages at which members actually retire. The valuation does not assume that everyone retires at their earliest eligibility. The assumption about the timing of retirement once eligibility has been established is a major component in cost calculations. Note that higher rates of retirement at earlier retirement ages or years of service upon attaining retirement eligibility generally result in higher actuarially determined contributions, and vice versa.

Retirement experience during the period July 1, 2009 through July 1, 2014, was considered in the analysis shown on the following pages. The "Exposure" column shows the number of employees eligible to retire at various ages throughout the experience period. An individual could potentially be counted up to five times if eligible each year in the period. By tabulating employees in this fashion we are able to answer the question "For all employees eligible at condition X, how many retired?"

Current and past experience has shown that retirement rates under this plan are correlated with age.

Key Findings and Recommendation

The retirement experience for the period July 1, 2009, through June 30, 2014, shows:

- Similar retirement rates among the different class of municipalities;
- About 95 percent of all potential retirements occur prior to age 60, which means the retirement rates after age 60 are significantly less credible; and
- Slightly higher retirement rates during the first year that the member is eligible to retire.

Consequently, we recommend using the following set of retirement rate factors for all municipalities:

Age at Retirement	Retirement Rate
50	45%
51-55	30%
56-59	35%
60+	100%

The table and graph on the following pages show retirement experience by Age.

- Table and Graph II – Retirement Experience by Age

**MUNICIPAL POLICEMEN'S AND FIREMEN'S PENSION AND
RELIEF FUNDS OF WEST VIRGINIA
DEMOGRAPHIC ASSUMPTIONS**

Table II

**Municipal Policemen's and Firemen's Pension and Relief Funds
Retirement Experience
For the Period July 1, 2009, through July 1, 2014**

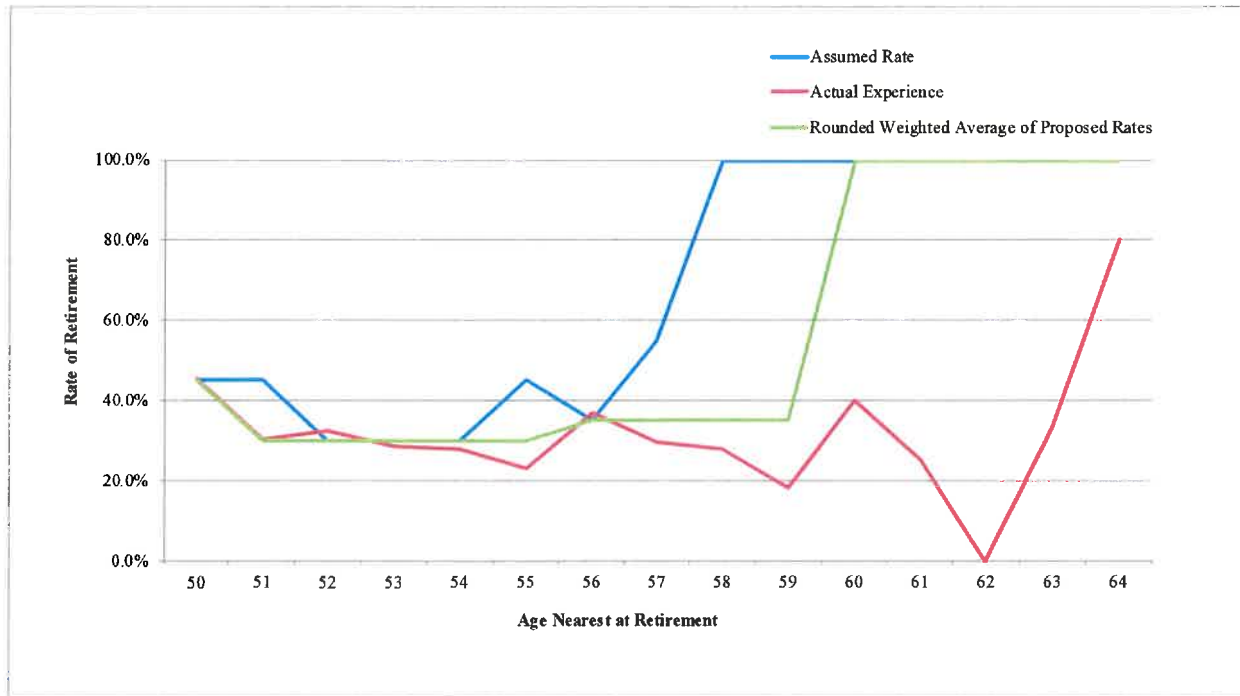
Nearest Age @ Retirement	Actual Experience			Current Assumptions			Proposed Assumptions		
	Exposures	Retirements	Actual Rate	Expected Retirements	Assumed Rate	Actual/ Expected	Expected Retirements	Proposed Rate ¹	Actual/ Expected
50	149	68	45.6%	67	45.0%	1.0	67	45.0%	1.0
51	92	28	30.4%	41	45.0%	0.7	28	30.0%	1.0
52	87	28	32.2%	26	30.0%	1.1	26	30.0%	1.1
53	81	23	28.4%	24	30.0%	0.9	24	30.0%	0.9
54	61	17	27.9%	18	30.0%	0.9	18	30.0%	0.9
55	52	12	23.1%	23	45.0%	0.5	16	30.0%	0.8
56	38	14	36.8%	13	35.0%	1.1	13	35.0%	1.1
57	27	8	29.6%	15	55.0%	0.5	9	35.0%	0.8
58	18	5	27.8%	15	100.0%	0.3	6	35.0%	0.8
59	11	2	18.2%	0	100.0%		4	35.0%	0.5
60	5	2	40.0%	0	100.0%		5	100.0%	0.4
61	4	1	25.0%	0	100.0%		0	100.0%	
62	3	0	0.0%	0	100.0%		0	100.0%	
63	3	1	33.3%	0	100.0%		0	100.0%	
64	5	4	80.0%	0	100.0%		0	100.0%	
Totals:	636	213	33.5%	244	38.3%	0.9	217	34.1%	1.0

¹ Rounded weighted Average of Proposed Rates

**MUNICIPAL POLICEMEN'S AND FIREMEN'S PENSION AND
RELIEF FUNDS OF WEST VIRGINIA
DEMOGRAPHIC ASSUMPTIONS**

Graph II

**Municipal Policemen's and Firemen's Pension and Relief Funds
Retirement Experience
For the Period July 1, 2009, through July 1, 2014**



MUNICIPAL POLICEMEN'S AND FIREMEN'S PENSION AND RELIEF FUNDS OF WEST VIRGINIA DEMOGRAPHIC ASSUMPTIONS

Turnover

Turnover experience during the last five years was considered in the analysis shown on the following pages. The "Exposure" column shows the number of employees at various years of service throughout the experience period.

The "Turnover" column shows the number of employees at various years of service that left active status for reasons other than retirement and death. This includes members moving to inactive status as well as members terminating and receiving a refund of contributions.

The table and graph on the following pages show termination experience by Age.

- Table and Graph III – Turnover Experience by Age

**MUNICIPAL POLICEMEN'S AND FIREMEN'S PENSION AND
RELIEF FUNDS OF WEST VIRGINIA
DEMOGRAPHIC ASSUMPTIONS**

Table III

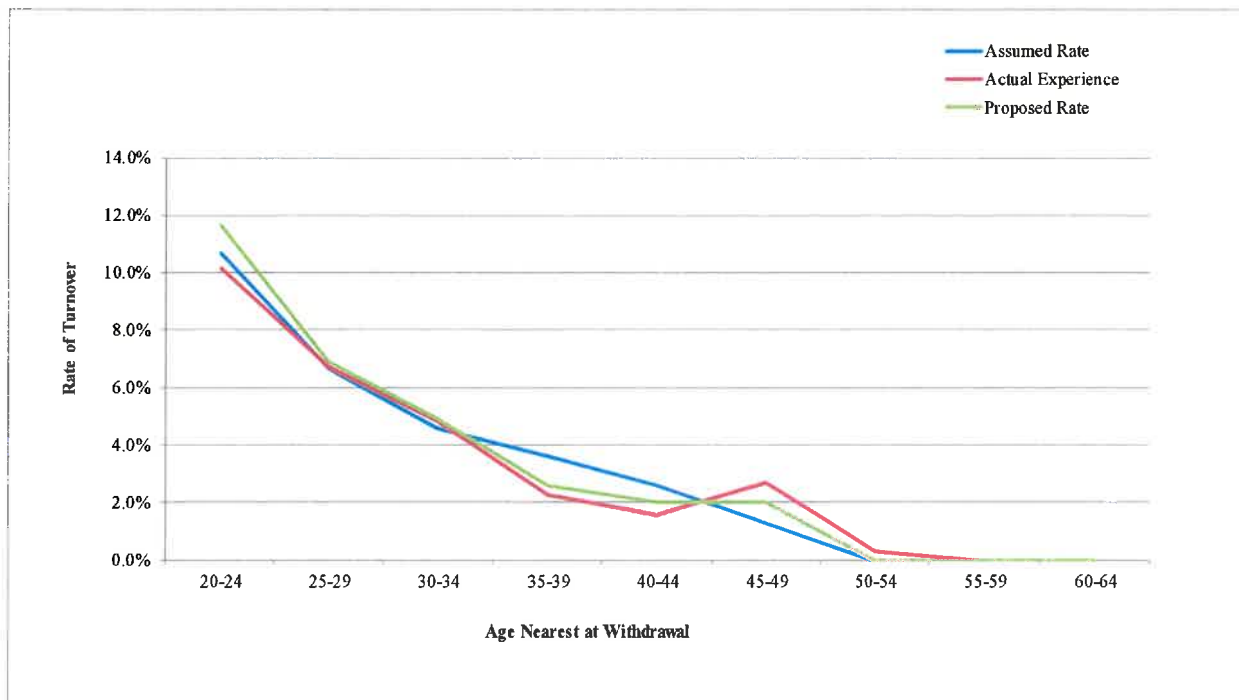
**Municipal Policemen's and Firemen's Pension and Relief Funds
Turnover Experience
For the Period July 1, 2009, through July 1, 2014**

Age @ Withdrawal	Actual Experience			Current Assumptions			Proposed Assumptions		
	Exposures	Turnover	Actual Rate	Expected Turnover	Assumed Rate	Actual / Expected	Expected Turnover	Proposed Rate	Actual / Expected
20-24	306	31	10.13%	33	10.67%	0.9	36	11.63%	0.9
25-29	1,117	75	6.71%	74	6.64%	1.0	77	6.88%	1.0
30-34	1,508	73	4.84%	69	4.59%	1.1	74	4.89%	1.0
35-39	1,697	38	2.24%	61	3.59%	0.6	44	2.58%	0.9
40-44	1,843	29	1.57%	48	2.61%	0.6	37	2.00%	0.8
45-49	1,274	34	2.67%	16	1.26%	2.1	25	2.00%	1.3
50-54	655	2	0.31%	0	0.00%		0	0.00%	
55-59	165	0	0.00%	0	0.00%		0	0.00%	
60-64	21	0	0.00%	0	0.00%		0	0.00%	
Totals:	8,586	282	3.28%	301	3.51%	0.9	292	3.40%	1.0

**MUNICIPAL POLICEMEN'S AND FIREMEN'S PENSION AND
RELIEF FUNDS OF WEST VIRGINIA
DEMOGRAPHIC ASSUMPTIONS**

Graph III

**Municipal Policemen's and Firemen's Pension and Relief Funds
Turnover Experience
For the Period July 1, 2009, through July 1, 2014**



**MUNICIPAL POLICEMEN’S AND FIREMEN’S PENSION AND
RELIEF FUNDS OF WEST VIRGINIA
DEMOGRAPHIC ASSUMPTIONS**

Disability

Disability experience during the last five years was considered in the analysis shown on the following pages. The “Exposure” column shows the number of employees at various ages throughout the experience period.

Currently, 40 percent of disabilities are considered to be duty-related and the remainder are considered non-duty related. We recommend changing that assumption to 60 percent duty-related and 40 percent non-Duty related.

Distribution of Disability Types:

	<u>Total Counts</u>	<u>Actual Distribution</u>	<u>Assumed Distribution</u>	<u>Proposed Distribution</u>
Duty Disability	19	57.6%	40%	60%
Ordinary Disability	14	42.4%	60%	40%
Total	33			

The table and graph on the following pages show disability experience by Age.

- Table and Graph IV – Disability Experience by Age

**MUNICIPAL POLICEMEN'S AND FIREMEN'S PENSION AND
RELIEF FUNDS OF WEST VIRGINIA
DEMOGRAPHIC ASSUMPTIONS**

Table IV

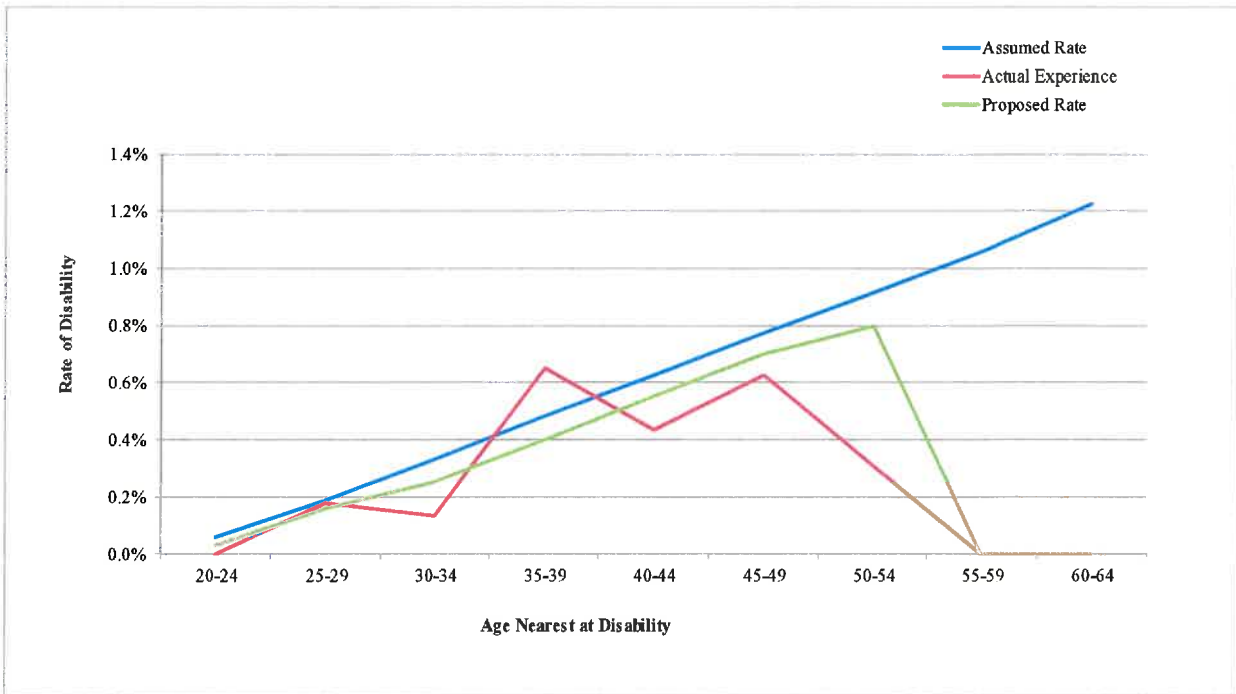
**Municipal Policemen's and Firemen's Pension and Relief Funds
Disability Experience
For the Period July 1, 2009, through July 1, 2014**

Age @ Disablement	Actual Experience			Current Assumptions			Proposed Assumptions		
	Exposures	Disabilities	Actual Rate	Expected Disabilities	Assumed Rate	Actual / Expected	Expected Disabilities	Proposed Rate	Actual / Expected
20-24	304	0.0	0.00%	0.2	0.06%	0.0	0.1	0.03%	0.0
25-29	1,115	2.0	0.18%	2.1	0.19%	1.0	1.8	0.16%	1.1
30-34	1,507	2.0	0.13%	5.0	0.33%	0.4	3.8	0.25%	0.5
35-39	1,696	11.0	0.65%	8.2	0.48%	1.3	6.8	0.40%	1.6
40-44	1,843	8.0	0.43%	11.6	0.63%	0.7	10.1	0.55%	0.8
45-49	1,274	8.0	0.63%	9.9	0.78%	0.8	8.9	0.70%	0.9
50-54	655	2.0	0.31%	6.0	0.92%	0.3	5.2	0.80%	0.4
55-59	165	0.0	0.00%	1.7	1.06%	0.0	0.0	0.00%	
60-64	21	0.0	0.00%	0.3	1.23%	0.0	0.0	0.00%	
Totals:	8,580	33.0	0.38%	44.9	0.52%	0.7	36.7	0.43%	0.9

**MUNICIPAL POLICEMEN'S AND FIREMEN'S PENSION AND
RELIEF FUNDS OF WEST VIRGINIA
DEMOGRAPHIC ASSUMPTIONS**

Graph IV

**Municipal Policemen's and Firemen's Pension and Relief Funds
Disability Experience
For the Period July 1, 2009, through July 1, 2014**



MUNICIPAL POLICEMEN'S AND FIREMEN'S PENSION AND RELIEF FUNDS OF WEST VIRGINIA DEMOGRAPHIC ASSUMPTIONS

Mortality

Post-retirement mortality is an important component in cost calculations and should be updated periodically to reflect current and expected future longevity improvements. Pre-retirement mortality is a relatively minor component in cost calculations. The frequency of pre-retirement deaths is so low that mortality assumptions based on actual experience can only be produced for very large retirement systems.

The trend of mortality improvement has been a long and relatively constant one in the United States over the past century. While most experts agree that overall mortality will improve in the near future, there are differing opinions on the long-term trend in mortality improvement. In order to allow for expected future mortality improvements, we recommend adopting generational mortality tables based on the mortality tables recently released by the Society of Actuaries ("SOA") in which mortality rates are projected to improve based on birth year.

Retirees

We reviewed the mortality experience separately for active members and service retirees during the five-year study period. The results shown on the following pages indicate that there were slightly less deaths than expected under the current assumption.

We recommend changing the post-retirement mortality assumption from the 1994 Group Annuity Mortality table to the RP-2014 Blue Collar Total Healthy Annuitant mortality table, sex distinct and generational mortality improvement using MP-2014 2-dimensional mortality improvement scales recently released by the SOA. This assumption provides a provision for future mortality improvements.

Disabled Retirees

We recommend updating the disabled mortality assumption to the RP-2014 Blue Collar Total Healthy Annuitant mortality table, sex distinct, with rates set forward four years, and generational mortality improvement using MP-2014 2-dimensional mortality improvement scales recently released by the SOA. This assumption provides a provision for future mortality improvements.

Active Participants

We recommend changing the pre-retirement mortality assumption to the RP-2014 Blue Collar Total Employee mortality table, sex distinct and generational mortality improvement using MP-2014 2-dimensional mortality improvement scales recently released by the SOA, to reflect that experience shows active members having lower mortality rates than retirees of the same age.

MUNICIPAL POLICEMEN'S AND FIREMEN'S PENSION AND RELIEF FUNDS OF WEST VIRGINIA DEMOGRAPHIC ASSUMPTIONS

A Note about Mortality Rates

The recommended mortality assumptions include generational mortality improvements, which means that the probability of a 60-year-old retired male dying in any particular year is higher for a 60-year old born in 1954 than a 60-year old born in 1994.

The use of generational mortality tables is an emerging trend in the actuarial industry, and is based on the assumption that life expectancy increases from generation to generation. Simply put, this means that the life expectancy of someone born in 1994 is greater than that of someone born in 1954. Adopting a generational mortality table tends to increase liabilities, as future increases in life expectancy imply longer payment of retirement benefits. Should the assumption of increased life expectancy prove true, actuarial valuations that continue to use static mortality tables may be required to update their tables to reflect the improved life expectancy, resulting in liability increases in the future. To the extent that future mortality improvements can be reflected in a current valuation, retirement systems can begin to fund for the increased liabilities, thereby reducing (or eliminating) future contribution rate increases that would eventually occur with the use of static tables.

Critics of generational mortality tables point to recent trends in declining health in the United States, such as increases in the incidence of childhood obesity and diabetes, as evidence against the premise of continued mortality improvements in the future.

We believe that the recommended mortality tables contain a sufficient level of conservatism to cover any increases in life expectancy in the near future. We will continue to monitor the use and acceptance of generational mortality tables by public retirement systems and keep the Board apprised of emerging trends.

The following tables and graphs contain the mortality experience for the experience study period:

- Table and Graph V(a) – Post-Retirement Mortality Experience by Age (Male only)
- Table and Graph V(b) – Disabled Mortality Experience by Age (Male only)
- Table and Graph V(c) – Pre-Retirement Mortality Experience by Age (Male only)

Mortality experience for females was unreliable given the low number of exposures.

**MUNICIPAL POLICEMEN'S AND FIREMEN'S PENSION AND
RELIEF FUNDS OF WEST VIRGINIA
DEMOGRAPHIC ASSUMPTIONS**

Table V(a)

**Municipal Policemen's and Firemen's Pension and Relief Funds
Post-Retirement Mortality (Males Only)
For the Period July 1, 2009, through July 1, 2014**

Age @ Death	Actual Experience			Current Assumptions ^a			Proposed Assumptions ^b		
	Exposures	Deaths	Actual Rate	Expected Deaths	Assumed Rate	Actual / Expected	Expected Deaths	Proposed Rate	Actual / Expected
50-54	562	0	0.00%	1.97	0.35%	0.0	2.84	0.51%	0.0
55-59	1,195	10	0.84%	6.85	0.57%	1.5	8.31	0.70%	1.2
60-64	1,305	11	0.84%	13.44	1.03%	0.8	12.95	0.99%	0.8
65-69	1,111	10	0.90%	19.88	1.79%	0.5	16.70	1.50%	0.6
70-74	866	32	3.70%	24.50	2.83%	1.3	20.42	2.36%	1.6
75-79	525	18	3.43%	23.59	4.49%	0.8	19.94	3.80%	0.9
80-84	429	35	8.16%	32.44	7.56%	1.1	27.59	6.43%	1.3
85-89	277	32	11.55%	31.06	11.21%	1.0	28.51	10.29%	1.1
90-94	52	10	19.23%	9.02	17.35%	1.1	8.73	16.79%	1.1
95-99	8	2	25.00%	1.92	24.03%	1.0	1.86	23.30%	1.1
100-104	0	0		0.00	35.03%		0.00	35.46%	
105-109	0	0		0.00	44.19%		0.00	44.82%	
Totals:	6,330	160	2.53%	165	2.60%	1.0	148	2.34%	1.1

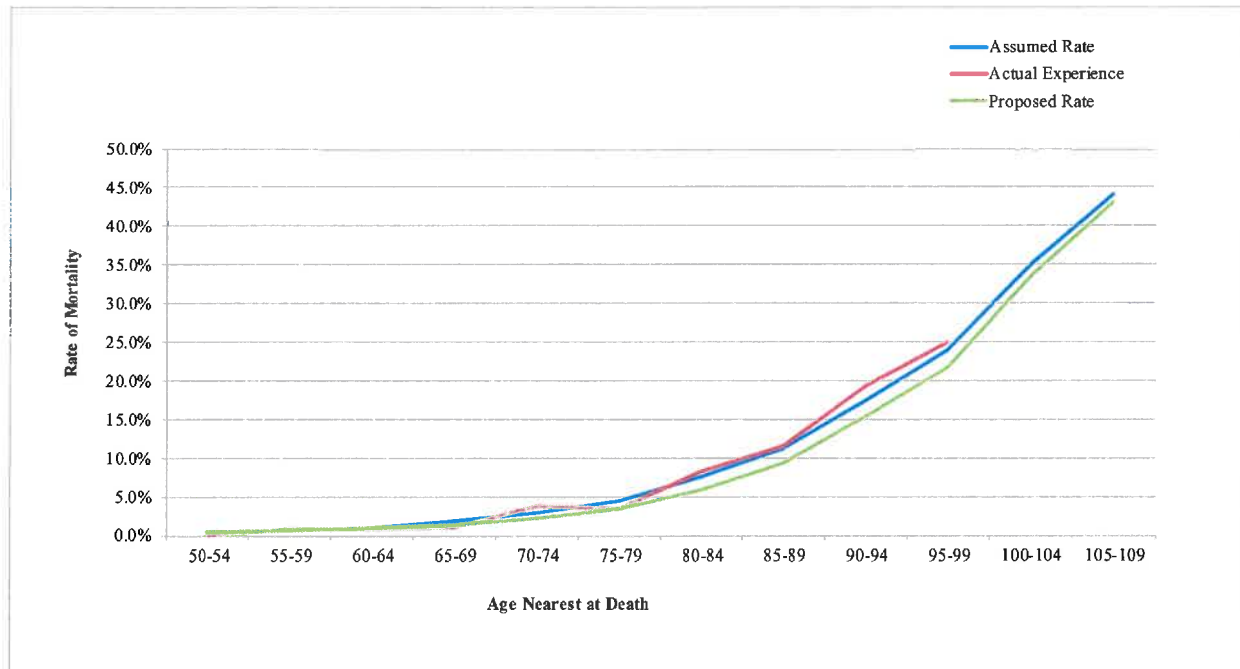
^a 1994 Group Annuity mortality table

^b RP-2014 Blue Collar Total Healthy Annuitant mortality table, sex distinct, and generational mortality improvement using MP-2014 2-dimensional mortality improvement scales

**MUNICIPAL POLICEMEN'S AND FIREMEN'S PENSION AND
RELIEF FUNDS OF WEST VIRGINIA
DEMOGRAPHIC ASSUMPTIONS**

Graph V(a)

**Municipal Policemen's and Firemen's Pension and Relief Funds
Post-Retirement Mortality (Males Only)
For the Period July 1, 2009, through July 1, 2014**



**MUNICIPAL POLICEMEN'S AND FIREMEN'S PENSION AND
RELIEF FUNDS OF WEST VIRGINIA
DEMOGRAPHIC ASSUMPTIONS**

Table V(b)

**Municipal Policemen's and Firemen's Pension and Relief Funds
Disabled Mortality (Males Only)
For the Period July 1, 2009, through July 1, 2014**

Age @ Death	Actual Experience			Current Assumptions ^a			Proposed Assumptions ^b		
	Exposures	Deaths	Actual Rate	Expected Deaths	Assumed Rate	Actual / Expected	Expected Deaths	Proposed Rate	Actual / Expected
25-29	1	0	0.00%	0.00	0.08%	0.0	0.00	0.11%	0.0
30-34	9	0	0.00%	0.01	0.09%	0.0	0.01	0.15%	0.0
35-39	19	0	0.00%	0.02	0.12%	0.0	0.04	0.21%	0.0
40-44	79	0	0.00%	0.14	0.18%	0.0	0.24	0.30%	0.0
45-49	114	1	0.88%	0.35	0.31%	2.9	0.52	0.46%	1.9
50-54	168	5	2.98%	0.85	0.50%	5.9	1.08	0.64%	4.6
55-59	179	2	1.12%	1.67	0.93%	1.2	1.67	0.93%	1.2
60-64	237	6	2.53%	3.86	1.63%	1.6	3.28	1.39%	1.8
65-69	192	5	2.60%	4.96	2.58%	1.0	4.12	2.15%	1.2
70-74	152	6	3.95%	6.24	4.10%	1.0	5.28	3.47%	1.1
75-79	87	2	2.30%	5.94	6.82%	0.3	5.00	5.75%	0.4
80-84	66	8	12.12%	7.16	10.85%	1.1	6.53	9.89%	1.2
85-89	56	7	12.50%	8.95	15.99%	0.8	8.61	15.37%	0.8
90-94	14	3	21.43%	3.43	24.48%	0.9	3.33	23.76%	0.9
95-99	1	0	0.00%	0.30	30.13%	0.0	0.30	29.54%	0.0
100-104	0	0		0.00	42.56%		0.00	43.09%	
105-109	0	0		0.00	49.64%		0.00	50.00%	
Totals:	1,374	45	3.28%	44	3.19%	1.0	40	2.91%	1.1

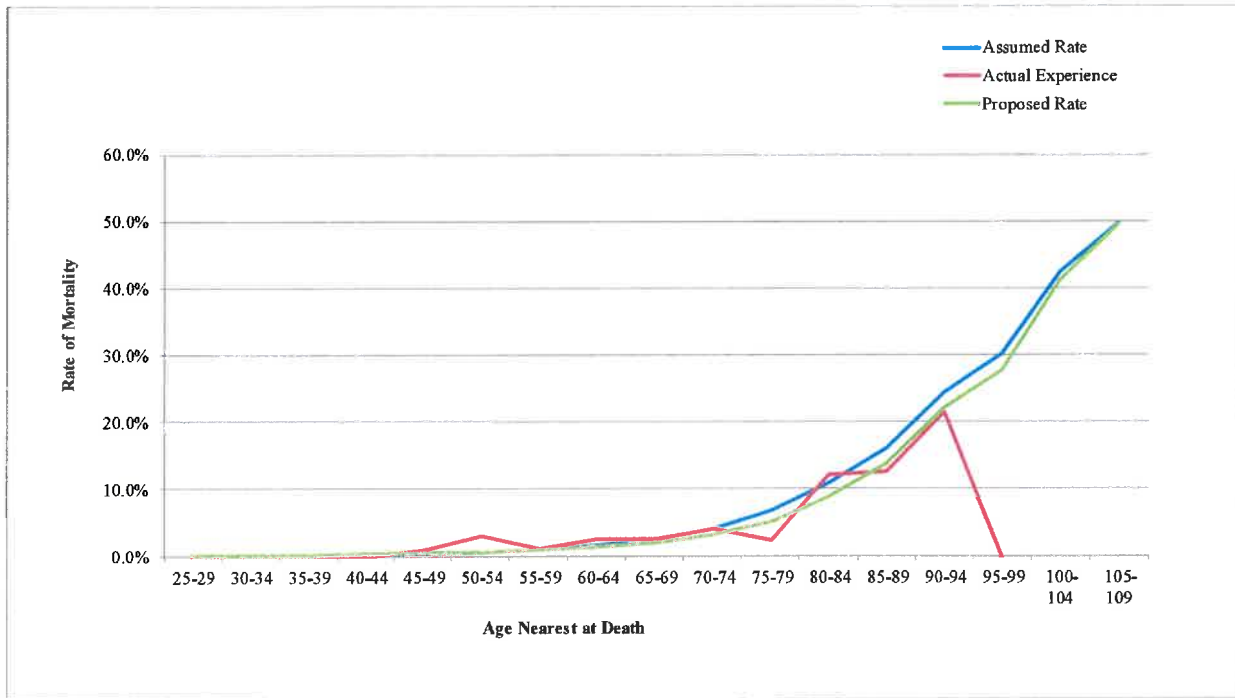
^a 1994 Group Annuity mortality table set forward four years.

^b RP-2014 Blue Collar Total Healthy Annuitant mortality table, sex distinct, with rates set forward four years, and generational mortality improvement using MP-2014 2-dimensional mortality improvement scales.

**MUNICIPAL POLICEMEN'S AND FIREMEN'S PENSION AND
RELIEF FUNDS OF WEST VIRGINIA
DEMOGRAPHIC ASSUMPTIONS**

Graph V(b)

**Municipal Policemen's and Firemen's Pension and Relief Funds
Disabled Mortality (Males Only)
For the Period July 1, 2009, through July 1, 2014**



**MUNICIPAL POLICEMEN'S AND FIREMEN'S PENSION AND
RELIEF FUNDS OF WEST VIRGINIA
DEMOGRAPHIC ASSUMPTIONS**

Table V(c)

**Municipal Policemen's and Firemen's Pension and Relief Funds
Pre-Retirement Mortality (Males Only)
For the Period July 1, 2009, through July 1, 2014**

Age @ Death	Actual Experience			Current Assumptions ^a			Proposed Assumptions ^b		
	Exposures	Deaths	Actual Rate	Expected Deaths	Assumed Rate	Actual / Expected	Expected Deaths	Proposed Rate	Actual / Expected
20-24	294	0	0.00%	0.15	0.05%	0.0	0.19	0.06%	0.0
25-29	1,052	2	0.19%	0.65	0.06%	3.1	0.62	0.06%	3.2
30-34	1,470	2	0.14%	1.04	0.07%	1.9	0.91	0.06%	2.2
35-39	1,655	3	0.18%	1.28	0.08%	2.3	1.19	0.07%	2.5
40-44	1,802	0	0.00%	1.92	0.11%	0.0	1.71	0.10%	0.0
45-49	1,236	2	0.16%	1.99	0.16%	1.0	1.93	0.16%	1.0
50-54	631	2	0.32%	1.66	0.26%	1.2	1.63	0.26%	1.2
55-59	163	0	0.00%	0.72	0.44%	0.0	0.67	0.41%	0.0
60-64	21	0	0.00%	0.19	0.90%	0.0	0.16	0.76%	0.0
Totals:	8,324	11	0.13%	10	0.12%	1.1	9	0.11%	1.2

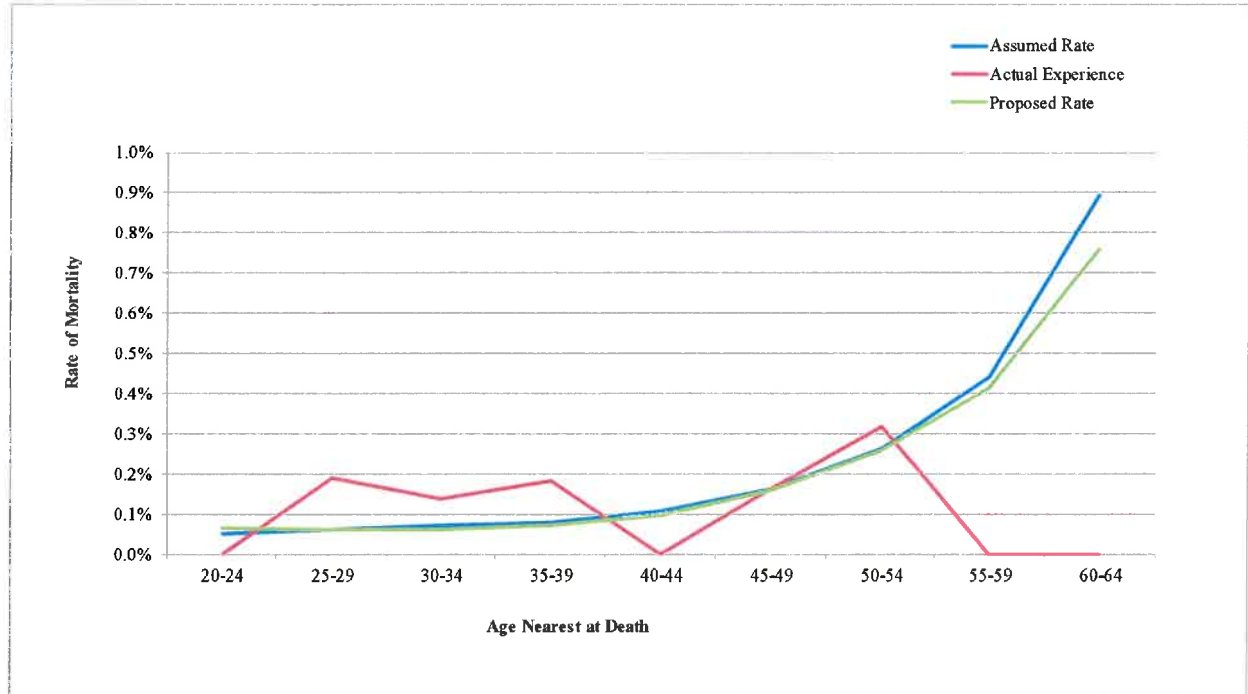
^a 85 percent of 1994 Group Annuity mortality table.

^b RP-2014 Blue Collar Total Healthy Employee mortality table, sex distinct, with generational mortality improvement using MP-2014 2-dimensional mortality improvement scales.

**MUNICIPAL POLICEMEN'S AND FIREMEN'S PENSION AND
RELIEF FUNDS OF WEST VIRGINIA
DEMOGRAPHIC ASSUMPTIONS**

Graph V(c)

**Municipal Policemen's and Firemen's Pension and Relief Funds
Pre-Retirement Mortality (Males Only)
For the Period July 1, 2009, through July 1, 2014**



**MUNICIPAL POLICEMEN'S AND FIREMEN'S PENSION AND
RELIEF FUNDS OF WEST VIRGINIA
DEMOGRAPHIC ASSUMPTIONS**

Comparison of Mortality Tables

The following table compares annuity values and life expectancies under both the current tables and the recommended tables assuming a 6.0 percent discount rate.

**1994 Group Annuity Mortality Table
Single Life Retirement Values**

Sample Attained Ages	Present Value of \$1		Future Life	
	Monthly for Life		Expectancy (years)	
	Men	Women	Men	Women
50	\$ 159.11	\$ 168.94	28.85	32.99
55	146.78	158.39	24.39	28.31
60	132.51	145.70	20.18	23.82
65	117.01	131.41	16.37	19.65
70	100.71	115.31	12.98	15.78
75	83.55	97.30	9.96	12.22
80	66.98	78.82	7.44	9.14

**RP-2014 Blue Collar Healthy Annuitant with Generational
Mortality Improvement
Single Life Retirement Values**

Sample Attained Ages	Present Value of \$1		Future Life	
	Monthly for Life		Expectancy (years)	
	Men	Women	Men	Women
50	\$ 168.05	\$ 174.47	34.17	37.47
55	158.30	165.99	29.40	32.57
60	146.75	155.49	24.86	27.80
65	133.03	142.58	20.53	23.20
70	117.17	127.24	16.49	18.83
75	99.46	109.88	12.79	14.82
80	80.78	91.18	9.53	11.24

Change

Single Life Retirement Values

Sample Attained Ages	Present Value of \$1		Future Life	
	Monthly for Life		Expectancy (years)	
	Men	Women	Men	Women
50	5.62%	3.28%	5.32	4.48
55	7.85%	4.80%	5.01	4.26
60	10.75%	6.72%	4.67	3.98
65	13.68%	8.50%	4.16	3.55
70	16.35%	10.35%	3.51	3.05
75	19.05%	12.93%	2.83	2.59
80	20.61%	15.68%	2.10	2.11

SECTION III
RECOMMENDED ASSUMPTIONS

**MUNICIPAL POLICEMEN'S AND FIREMEN'S PENSION AND
RELIEF FUNDS OF WEST VIRGINIA
RECOMMENDED ASSUMPTIONS**

Actuarial Assumptions and Methods

Discount Rate

The following table outlines the factors used to determine the discount rate:

Funded Ratio as of Valuation Date ¹	Liquidity Ratio ²	Equity Exposure ³	Projected Funded Ratio after 15 Years ¹	Proposed Discount Rate	Number of Plans Satisfying Conditions
60% or more	10	50% or more	70% or more	6.5%	10
40% or more	8	40% or more	60% or more	6.0%	6
30% or more	6	30% or more	50% or more	5.5%	8
15% or more	4	n/a	40% or more	5.0%	8
Less than 15%	n/a	n/a	15% or more	4.5%	13
Less than 15%	n/a	n/a	Less than 15%	4.0%	8

¹ Funded ratios are based on an investment return assumption of 6.5 percent under the current policy and 6.0 percent under the proposed policy for plans using an actuarially sound funding policy (standard or optional). For plans using the alternative or conservation funding policy, the funded ratios are based on an investment return assumption of 6.0 percent under the current policy and 5.5 percent under the proposed policy.

² Liquidity ratio equals assets as of the valuation date divided by expected benefits for the year.

³ Based on investment policy.

Discount Rate

4.0% – 6.5%

**MUNICIPAL POLICEMEN'S AND FIREMEN'S PENSION AND
RELIEF FUNDS OF WEST VIRGINIA
RECOMMENDED ASSUMPTIONS**

Actuarial Assumptions and Methods (CONT'D)

The premium tax allocation is projected using the following methodology:

- (1) The Base Allocation for all Pension and Relief Funds is a fixed amount equal to \$8,709,689 in all future years. This amount is allocated to each individual Pension and Relief Fund in proportion to the number of eligible members, which includes active members covered in either the Pension and Relief Fund or the statewide plan, Municipal Police Officers and Firefighters Retirement System ("MPFRS").
- (2) The Excess Allocation is equal to the excess of the current year premium tax assigned to all Pension and Relief Funds over the total Base Allocation. This amount is allocated to each individual Pension and Relief Fund in proportion to the number of eligible active and retired members covered in either the Pension and Relief Fund or the MPFRS.
- (3) We have assumed all Pension and Relief Funds will make the minimum statutory contribution requirement and will receive 100% of both the Base Allocation and the Excess Allocation assigned to the individual plan, until they are 100% funded, even if the premium tax allocation exceeds the amortization of the unfunded liability. Consequently, the projections do not include any reallocation of Expired Premium Tax Allocation for plan years beginning on and after July 1, 2016.
- (4) The total available premium tax allocation, net of expenses, as of September 1, 2015, includes a Base Allocation of \$8,709,689, an Excess Allocation of \$7,909,493.59, and an Expired Premium Tax Allocation of \$284,133.52.
- (5) Based on the average number of plan participants for the 12-month period ending June 30, 2015, all Pension and Relief Funds reported a total of 1,703 eligible active members, and 2,145 eligible retired members.
- (6) The total premium tax allocation was assumed to increase by 2.75% in calendar years ending on and after 2016.

**MUNICIPAL POLICEMEN'S AND FIREMEN'S PENSION AND
RELIEF FUNDS OF WEST VIRGINIA
RECOMMENDED ASSUMPTIONS**

Actuarial Assumptions and Methods (CONT'D)

General Inflation	2.75%																		
Expected Salary Increase	<p>General Inflation: 2.75% <i>plus</i></p> <p>Wage Inflation: 1.00% <i>plus</i></p> <p>Service Based Increase:</p> <table style="margin-left: 40px;"> <thead> <tr> <th style="text-align: left;"><u>Years of Service</u></th> <th style="text-align: left;"><u>Increase</u></th> </tr> </thead> <tbody> <tr> <td>1</td> <td>20.00%</td> </tr> <tr> <td>2</td> <td>6.50%</td> </tr> <tr> <td>3</td> <td>3.50%</td> </tr> <tr> <td>4</td> <td>2.75%</td> </tr> <tr> <td>5-9</td> <td>2.50%</td> </tr> <tr> <td>10-29</td> <td>2.00%</td> </tr> <tr> <td>30-34</td> <td>1.25%</td> </tr> <tr> <td>after 34 years of service</td> <td>0.00%</td> </tr> </tbody> </table>	<u>Years of Service</u>	<u>Increase</u>	1	20.00%	2	6.50%	3	3.50%	4	2.75%	5-9	2.50%	10-29	2.00%	30-34	1.25%	after 34 years of service	0.00%
<u>Years of Service</u>	<u>Increase</u>																		
1	20.00%																		
2	6.50%																		
3	3.50%																		
4	2.75%																		
5-9	2.50%																		
10-29	2.00%																		
30-34	1.25%																		
after 34 years of service	0.00%																		
Post-retirement COLA	2.75% on first \$15,000 of Annual Benefit and on the accumulated supplemental pension amounts for prior years.																		
Increase in State Insurance Premium Tax Allocation	2.75% per year																		
Cost Method	Entry-Age-Normal, Level-Percentage-of-Pay																		
<p><i>Amortization Policies:</i></p> <p>Alternative Plans and former Alternative Plans that selected the Conservation Policy</p> <p>Standard Plans and former Standard Plans that selected the Optional Policy</p> <p>Former Alternative Plans that selected the Optional Policy</p>	<p>For GASB 67/68 Accounting: 30-Year Closed Level-Percentage-of-Pay Amortization (from July 1, 2010) (25 years remaining as of July 1, 2015).</p> <p>For funding and GASB 67/68 Accounting: 40-Year Closed Level-Dollar Amortization (from July 1, 1991) (16 years remaining as of July 1, 2015)</p> <p>For funding: 40-Year Closed Level-Dollar Amortization (from January 1, 2010). For GASB 67/68 Accounting: 30-Year Closed Level-Percentage-of-Pay Amortization (from July 1, 2010).</p>																		
Asset Method	Market Value																		

**MUNICIPAL POLICEMEN'S AND FIREMEN'S PENSION AND
RELIEF FUNDS OF WEST VIRGINIA
RECOMMENDED ASSUMPTIONS**

Actuarial Assumptions and Methods (CONT'D)

Turnover	Sample Rates –	
	<u>Age</u>	<u>Rates</u>
	25	9%
	35	4%
	45	2%
	50	0%
Retirement	<u>Age</u>	<u>Rates</u>
	50	45%
	51-55	30%
	56-59	35%
	60	100%
Mortality	Active: RP-2014 Blue Collar Healthy Employee Post-Retirement: RP-2014 Blue Collar Healthy Annuitant Disabled: RP-2014 Blue Collar Healthy Annuitant set forward four years	
Disability	Sample Rates –	
	<u>Age</u>	<u>Rates^a</u>
	30	0.22%
	40	0.50%
	50	0.79%
	^a Assumes 60% duty related and 40% non-duty related.	
Percent Married	90%	
Spouse Age	Females three years younger than males	

APPENDIX A

**MUNICIPAL POLICEMEN'S AND FIREMEN'S PENSION AND
RELIEF FUNDS OF WEST VIRGINIA
APPENDIX A**

West Virginia Municipal Pension Oversight Board
Impact of Changes in Assumptions
Based on Experience Study for Period July 1, 2009 to July 1, 2014
Measured as of July 1, 2014

Plan	Market Value of Assets	Current Assumptions						Proposed Assumptions					
		Discount Rate	Actuarial Liability	Net Normal Cost	UAL	Funded Ratio	ADC	Discount Rate	Actuarial Liability	Net Normal Cost	UAL	Funded Ratio	ADC
Beckley Police	\$ 19,553,486	7.00%	\$ 26,834,778	\$ 378,804	\$ 7,281,292	73%	\$ 769,449	6.50%	\$ 29,716,801	\$ 532,633	\$ 10,163,315	66%	\$ 1,064,439
Beckley Fire	16,958,929	5.50%	35,989,279	598,566	19,030,350	47%	1,468,949	5.00%	40,212,731	831,072	23,253,802	42%	1,865,702
Belle Police	1,424,240	7.00%	1,786,229	17,096	361,989	80%	52,939	6.50%	1,955,916	22,348	531,676	73%	73,304
Bluefield Police	4,515,734	6.50%	10,644,990	162,772	6,129,256	42%	475,033	6.00%	11,802,028	232,254	7,286,294	38%	593,995
Bluefield Fire	3,939,603	5.50%	14,837,987	184,572	10,898,384	27%	683,027	5.00%	16,661,732	263,349	12,722,129	24%	829,394
Charleston Police	15,242,762	5.00%	150,614,065	2,517,992	135,371,303	10%	8,371,077	4.50%	170,046,958	3,555,256	154,804,196	9%	10,060,718
Charleston Fire	12,976,853	5.00%	154,660,064	2,407,623	141,683,211	8%	8,533,617	4.50%	174,176,771	3,418,078	161,199,918	7%	10,192,313
Charles Town Police	476,812	5.50%	1,411,673	1,283	934,861	34%	85,057	5.00%	1,559,534	1,283	1,082,722	31%	95,005
Chester Police	1,670,544	7.00%	1,835,764	26,087	165,220	91%	42,447	6.50%	1,983,323	39,513	312,779	84%	69,490
Clarksburg Police	4,907,162	5.50%	24,633,471	490,476	19,726,309	20%	1,392,690	5.00%	27,701,690	695,952	22,794,528	18%	1,710,147
Clarksburg Fire	4,715,014	5.00%	29,858,589	610,270	25,143,575	16%	1,697,409	4.50%	33,679,196	867,821	28,964,182	14%	2,085,006
Dunbar Police	5,370,275	6.50%	6,779,798	116,413	1,409,523	79%	188,222	6.00%	7,485,856	159,129	2,115,581	72%	264,161
Dunbar Fire	510,192	5.00%	10,893,461	205,824	10,383,269	5%	654,768	4.50%	12,390,376	290,761	11,880,184	4%	790,012
Elkins Police	2,383,232	6.00%	4,914,906	109,205	2,531,674	48%	343,902	5.50%	5,465,147	162,479	3,081,915	44%	438,651
Elkins Fire	1,163,258	7.00%	1,323,415	36,803	160,157	88%	52,661	6.50%	1,461,797	48,839	298,539	80%	77,451
Fairmont Police	4,814,170	5.00%	26,065,912	482,306	21,251,742	18%	1,401,173	4.50%	29,602,112	698,897	24,787,942	16%	1,740,581
Fairmont Fire	1,739,613	5.00%	33,919,031	583,163	32,179,418	5%	1,974,513	4.00%	41,126,780	992,614	39,387,167	4%	2,553,518
Grafton Police	1,150,245	6.00%	1,682,801	70,187	532,556	68%	119,557	5.50%	1,879,052	93,160	728,807	61%	158,469
Grafton Fire	1,550,973	6.50%	2,324,631	15,908	773,658	67%	90,056	6.00%	2,574,677	21,363	1,023,704	60%	116,265
Huntington Police	26,517,192	6.00%	80,657,818	1,102,089	54,140,626	33%	3,717,462	5.50%	90,058,458	1,568,765	63,541,266	29%	4,557,414
Huntington Fire	16,662,493	5.00%	99,832,082	1,312,857	83,169,589	17%	4,908,882	4.50%	112,772,241	1,876,029	96,109,748	15%	5,914,927
Logan Police	631,024	6.00%	1,438,834	57,667	807,810	44%	132,554	4.00%	2,096,870	125,505	1,465,846	30%	243,656
Logan Fire	594,859	6.50%	1,408,406	55,610	813,547	42%	133,581	4.00%	2,349,058	140,720	1,754,199	25%	282,112
Martinsburg Police	7,605,975	5.00%	29,651,476	796,122	22,045,501	26%	1,749,309	4.50%	33,620,102	1,142,176	26,014,127	23%	2,235,389
Martinsburg Fire	2,643,494	5.00%	27,132,367	547,476	24,488,873	10%	1,606,308	4.00%	33,280,010	929,081	30,636,516	8%	2,143,198
Morgantown Police	14,472,339	5.00%	48,376,750	1,012,485	33,904,411	30%	2,478,419	4.50%	54,893,481	1,450,932	40,421,142	26%	3,149,582
Morgantown Fire	11,482,554	5.00%	36,855,242	793,018	25,372,688	31%	1,890,064	4.50%	41,634,508	1,127,285	30,151,954	28%	2,394,385

MUNICIPAL POLICEMEN'S AND FIREMEN'S PENSION AND RELIEF FUNDS OF WEST VIRGINIA

APPENDIX A

West Virginia Municipal Pension Oversight Board
Impact of Changes in Assumptions
Based on Experience Study for Period July 1, 2009 to July 1, 2014
Measured as of July 1, 2014

Plan	Assets	Current Assumptions						Proposed Assumptions					
		Discount Rate	Actuarial Liability	Net Normal Cost	UAL	Funded Ratio	ADC	Discount Rate	Actuarial Liability	Net Normal Cost	UAL	Funded Ratio	ADC
Moundsville Police	\$ 4,723,850	7.00%	\$ 6,346,929	\$ 99,085	\$ 1,623,079	74%	\$ 186,164	6.50%	\$ 6,980,079	\$ 134,377	\$ 2,256,229	68%	\$ 252,437
Moundsville Fire	1,259,314	5.00%	4,969,890	80,223	3,710,576	25%	240,658	4.50%	5,586,296	107,851	4,326,982	23%	289,687
Nitro Police	2,875,470	5.50%	8,420,768	248,321	5,545,298	34%	501,944	5.00%	9,568,468	348,544	6,692,998	30%	646,335
Nitro Fire	756,668	5.00%	7,636,999	189,434	6,880,331	10%	486,921	4.50%	8,683,850	277,895	7,927,182	9%	611,025
Oak Hill Police	4,023,268	7.00%	3,137,466	68,308	(885,802)	128%	68,308	6.50%	3,470,943	94,259	(552,325)	116%	94,259
Parkersburg Police	10,250,026	5.00%	48,275,307	966,833	38,025,281	21%	2,610,942	4.50%	54,620,185	1,370,795	44,370,159	19%	3,235,398
Parkersburg Fire	11,659,889	5.50%	52,046,135	768,351	40,386,246	22%	2,615,480	5.00%	58,382,782	1,081,546	46,722,895	20%	3,160,385
Point Pleasant Police	766,615	5.50%	3,845,330	89,037	3,078,715	20%	364,923	5.00%	4,338,846	124,653	3,572,231	18%	433,871
Princeton Police	3,953,464	6.00%	9,303,991	176,159	5,350,527	42%	434,627	5.50%	10,374,277	251,703	6,420,813	38%	553,704
Princeton Fire	2,874,971	5.00%	8,737,993	164,491	5,865,022	33%	417,992	4.50%	9,935,359	233,271	7,060,388	29%	529,975
South Charleston Police	2,401,885	5.00%	21,914,307	547,262	19,512,422	11%	1,390,926	4.00%	26,739,386	900,222	24,337,501	9%	1,864,711
South Charleston Fire	1,723,803	5.00%	27,007,209	629,037	25,283,406	6%	1,722,222	4.00%	32,880,958	1,027,624	31,157,155	5%	2,262,374
St. Albans Police	6,165,378	6.50%	11,063,081	218,469	4,897,703	56%	467,987	6.00%	12,206,203	314,911	6,040,825	51%	614,818
St. Albans Fire	2,626,148	5.00%	14,776,174	241,953	12,150,026	18%	767,287	4.00%	18,115,857	411,158	15,489,709	14%	1,025,011
Star City Police	1,373,768	7.00%	1,685,606	35,795	311,838	81%	52,525	6.50%	1,872,716	50,285	498,948	73%	76,393
Vienna Police	6,397,386	7.00%	8,408,369	136,372	2,010,983	76%	335,496	6.50%	9,306,971	193,460	2,909,585	69%	472,316
Weirton Police	4,521,738	5.00%	30,008,359	537,322	25,486,621	15%	1,639,294	4.00%	36,285,474	902,182	31,763,736	12%	2,160,971
Weirton Fire	8,673,134	7.00%	11,370,617	199,280	2,897,483	75%	354,731	6.50%	12,600,790	272,634	3,927,656	69%	478,153
Welch Police	2,231,793	7.00%	1,746,269	51,953	(485,524)	128%	51,953	6.50%	1,924,635	75,436	(307,158)	116%	75,436
Weston Police	742,083	6.00%	1,480,084	72,475	738,001	50%	140,891	5.50%	1,686,243	98,725	944,160	44%	183,332
Weston Fire	777,125	6.50%	1,366,910	32,186	589,785	57%	62,233	6.00%	1,492,097	41,924	714,972	52%	77,420
Westover Police	2,135,781	6.50%	2,566,443	61,234	430,662	83%	102,509	6.00%	2,837,839	82,213	702,058	75%	147,297
Wheeling Police	19,107,518	6.00%	49,498,176	701,779	30,390,658	39%	2,169,862	5.50%	55,272,980	1,008,846	36,165,462	35%	2,709,880
Wheeling Fire	17,501,778	5.50%	64,126,479	1,105,371	46,624,701	27%	3,237,826	5.00%	71,654,548	1,602,943	54,152,770	24%	4,012,359
Williamson Police	1,083,969	5.50%	2,574,620	48,952	1,490,651	42%	117,129	5.00%	2,891,109	68,504	1,807,140	37%	148,909
Williamson Fire	1,674,091	6.00%	4,065,651	48,418	2,391,560	41%	163,947	5.50%	4,531,302	72,791	2,857,211	37%	207,179
Total	\$ 307,953,940		\$ 1,272,942,981	\$22,210,774	\$ 964,989,041	24%	\$ 65,717,903		\$ 1,446,427,398	\$ 32,436,046	\$ 1,138,473,458	21%	\$ 82,022,920

APPENDIX B

**MUNICIPAL POLICEMEN'S AND FIREMEN'S PENSION AND
RELIEF FUNDS OF WEST VIRGINIA
APPENDIX B**

**West Virginia Policemen's And Firemen's Pension And Relief Funds
Salary by Service - Includes General Inflation and Productivity Increases**

Service at End of Year	Number	Actual Rate	Expected Rate	Actual / Expected	Proposed Rate	Actual / Proposed
1	381	26.23%	13.00%	2.0	23.75%	1.1
2	423	9.66%	8.50%	1.1	10.25%	0.9
3	450	6.44%	6.00%	1.1	7.25%	0.9
4	469	5.77%	6.00%	1.0	6.50%	0.9
5	458	6.56%	5.00%	1.3	6.25%	1.1
6	408	5.35%	5.00%	1.1	6.25%	0.9
7	364	4.81%	5.00%	1.0	6.25%	0.8
8	379	5.51%	5.00%	1.1	6.25%	0.9
9	336	4.91%	5.00%	1.0	6.25%	0.8
10	335	4.29%	5.00%	0.9	5.75%	0.7
11	345	5.28%	5.00%	1.1	5.75%	0.9
12	349	4.85%	5.00%	1.0	5.75%	0.8
13	315	5.18%	5.00%	1.0	5.75%	0.9
14	319	4.57%	5.00%	0.9	5.75%	0.8
15	341	5.15%	5.00%	1.0	5.75%	0.9
16	319	5.35%	5.00%	1.1	5.75%	0.9
17	307	5.41%	5.00%	1.1	5.75%	0.9
18	285	4.89%	5.00%	1.0	5.75%	0.9
19	283	4.85%	5.00%	1.0	5.75%	0.8
20	227	4.97%	5.00%	1.0	5.75%	0.9
21	204	6.40%	5.00%	1.3	5.75%	1.1
22	187	5.16%	5.00%	1.0	5.75%	0.9
23	163	5.67%	5.00%	1.1	5.75%	1.0
24	124	4.87%	5.00%	1.0	5.75%	0.8
25	77	5.61%	5.00%	1.1	5.75%	1.0
26	47	3.17%	5.00%	0.6	5.75%	0.6
27	29	2.97%	5.00%	0.6	5.75%	0.5
28	23	7.49%	5.00%	1.5	5.75%	1.3
29	23	6.08%	5.00%	1.2	5.75%	1.1
30	20	3.44%	5.00%	0.7	5.00%	0.7
31	13	4.87%	5.00%	1.0	5.00%	1.0
32	10	4.89%	5.00%	1.0	5.00%	1.0
33	6	7.93%	5.00%	1.6	5.00%	1.6
34	6	0.94%	5.00%	0.2	5.00%	0.2
35	7	3.41%	4.00%	0.9	3.75%	0.9
36	6	3.30%	4.00%	0.8	3.75%	0.9
37	6	1.03%	4.00%	0.3	3.75%	0.3
38	5	3.16%	4.00%	0.8	3.75%	0.8
39+	2	6.26%	4.00%	1.6	3.75%	1.7
Total	8,051	6.52%	5.67%	1.1	7.07%	0.9

**MUNICIPAL POLICEMEN'S AND FIREMEN'S PENSION AND
RELIEF FUNDS OF WEST VIRGINIA
APPENDIX B**

**West Virginia Policemen's And Firemen's Pension And Relief Funds
Salary by Service - Excludes General Inflation and Productivity Increases**

Service at End of Year	Number	Actual Rate	Expected Rate	Actual / Expected	Proposed Rate	Actual / Proposed
1	381	23.23%	9.00%	2.6	20.00%	1.2
2	423	6.66%	4.50%	1.5	6.50%	1.0
3	450	3.43%	2.00%	1.7	3.50%	1.0
4	469	2.76%	2.00%	1.4	2.75%	1.0
5	458	3.56%	1.00%	3.6	2.50%	1.4
6	408	2.35%	1.00%	2.3	2.50%	0.9
7	364	1.80%	1.00%	1.8	2.50%	0.7
8	379	2.50%	1.00%	2.5	2.50%	1.0
9	336	1.90%	1.00%	1.9	2.50%	0.8
10	335	1.28%	1.00%	1.3	2.00%	0.6
11	345	2.28%	1.00%	2.3	2.00%	1.1
12	349	1.85%	1.00%	1.8	2.00%	0.9
13	315	2.18%	1.00%	2.2	2.00%	1.1
14	319	1.56%	1.00%	1.6	2.00%	0.8
15	341	2.14%	1.00%	2.1	2.00%	1.1
16	319	2.35%	1.00%	2.3	2.00%	1.2
17	307	2.40%	1.00%	2.4	2.00%	1.2
18	285	1.88%	1.00%	1.9	2.00%	0.9
19	283	1.85%	1.00%	1.8	2.00%	0.9
20	227	1.97%	1.00%	2.0	2.00%	1.0
21	204	3.40%	1.00%	3.4	2.00%	1.7
22	187	2.15%	1.00%	2.1	2.00%	1.1
23	163	2.66%	1.00%	2.7	2.00%	1.3
24	124	1.86%	1.00%	1.9	2.00%	0.9
25	77	2.61%	1.00%	2.6	2.00%	1.3
26	47	0.16%	1.00%	0.2	2.00%	0.1
27	29	(0.04)%	1.00%	(0.0)	2.00%	(0.0)
28	23	4.48%	1.00%	4.5	2.00%	2.2
29	23	3.07%	1.00%	3.1	2.00%	1.5
30	20	0.43%	1.00%	0.4	1.25%	0.3
31	13	1.86%	1.00%	1.9	1.25%	1.5
32	10	1.89%	1.00%	1.9	1.25%	1.5
33	6	4.92%	1.00%	4.9	1.25%	3.9
34	6	(2.07)%	1.00%	(2.1)	1.25%	(1.7)
35	7	0.41%	0.00%		0.00%	
36	6	0.29%	0.00%		0.00%	
37	6	(1.98)%	0.00%		0.00%	
38	5	0.15%	0.00%		0.00%	
39+	2	3.25%	0.00%		0.00%	
Total	8,051	3.5%	1.67%	2.1	3.32%	1.1

**MUNICIPAL POLICEMEN'S AND FIREMEN'S PENSION AND
RELIEF FUNDS OF WEST VIRGINIA
APPENDIX B**

**West Virginia Policemen's And Firemen's Pension And Relief Funds
Age Based Withdrawal**

Age @ Withdrawal	Actual Experience			Current Assumptions			Proposed Assumptions		
	Exposures	Turnover	Actual Rate	Expected Turnover	Assumed Rate	Actual / Expected	Expected Turnover	Proposed Rate	Actual / Expected
20	8	1	12.50%	1	15.00%	0.8	1	15.00%	0.8
21	33	7	21.21%	5	15.00%	1.4	5	15.00%	1.4
22	59	11	18.64%	6	10.00%	1.9	9	15.00%	1.2
23	82	4	4.88%	8	10.00%	0.5	8	10.00%	0.5
24	124	8	6.45%	12	10.00%	0.6	12	10.00%	0.6
25	168	10	5.95%	17	10.00%	0.6	15	9.00%	0.7
26	199	18	9.05%	20	10.00%	0.9	16	8.00%	1.1
27	217	9	4.15%	11	5.00%	0.8	15	7.00%	0.6
28	262	19	7.25%	13	5.00%	1.5	16	6.00%	1.2
29	271	19	7.01%	14	5.00%	1.4	15	5.50%	1.3
30	282	15	5.32%	14	5.00%	1.1	14	5.00%	1.1
31	302	18	5.96%	14	4.80%	1.2	15	5.00%	1.2
32	301	10	3.32%	14	4.60%	0.7	15	5.00%	0.7
33	306	12	3.92%	13	4.40%	0.9	15	5.00%	0.8
34	317	18	5.68%	13	4.20%	1.4	14	4.50%	1.3
35	328	8	2.44%	13	4.00%	0.6	13	4.00%	0.6
36	320	8	2.50%	12	3.80%	0.7	10	3.00%	0.8
37	337	10	2.97%	12	3.60%	0.8	7	2.00%	1.5
38	356	7	1.97%	12	3.40%	0.6	7	2.00%	1.0
39	356	5	1.40%	11	3.20%	0.4	7	2.00%	0.7
40	371	7	1.89%	11	3.00%	0.6	7	2.00%	0.9
41	389	4	1.03%	11	2.80%	0.4	8	2.00%	0.5
42	386	3	0.78%	10	2.60%	0.3	8	2.00%	0.4
43	371	7	1.89%	9	2.40%	0.8	7	2.00%	0.9
44	326	8	2.45%	7	2.20%	1.1	7	2.00%	1.2
45	303	8	2.64%	6	2.00%	1.3	6	2.00%	1.3
46	275	6	2.18%	4	1.60%	1.4	6	2.00%	1.1
47	243	4	1.65%	3	1.20%	1.4	5	2.00%	0.8
48	223	6	2.69%	2	0.80%	3.4	4	2.00%	1.3
49	230	10	4.35%	1	0.40%	10.9	5	2.00%	2.2
50	206	1	0.49%	0	0.00%		0	0.00%	
51	143	1	0.70%	0	0.00%		0	0.00%	
52	122	0	0.00%	0	0.00%		0	0.00%	
53	104	0	0.00%	0	0.00%		0	0.00%	
54	80	0	0.00%	0	0.00%		0	0.00%	
55	60	0	0.00%	0	0.00%		0	0.00%	
56	45	0	0.00%	0	0.00%		0	0.00%	
57	29	0	0.00%	0	0.00%		0	0.00%	
58	19	0	0.00%	0	0.00%		0	0.00%	
59	12	0	0.00%	0	0.00%		0	0.00%	
60	6	0	0.00%	0	0.00%		0	0.00%	
61	4	0	0.00%	0	0.00%		0	0.00%	
62	3	0	0.00%	0	0.00%		0	0.00%	
63	3	0	0.00%	0	0.00%		0	0.00%	
64	5	0	0.00%	0	0.00%		0	0.00%	
Totals:	8,586	282	3.28%	301	3.51%	0.9	292	3.40%	1.0

**MUNICIPAL POLICEMEN'S AND FIREMEN'S PENSION AND
RELIEF FUNDS OF WEST VIRGINIA
APPENDIX B**

**West Virginia Policemen's And Firemen's Pension And Relief Funds
Age Based Disability**

Age @ Disablement	Actual Experience			Current Assumptions			Proposed Assumptions		
	Exposures	Disabilities	Actual Rate	Expected Disabilities	Assumed Rate	Actual / Expected	Expected Disabilities	Proposed Rate	Actual / Expected
20	8	0	0.00%	0	0.00%		0	0.00%	
21	32	0	0.00%	0	0.00%		0	0.00%	
22	59	0	0.00%	0	0.03%	0.0	0	0.00%	
23	81	0	0.00%	0	0.06%	0.0	0	0.03%	0.0
24	124	0	0.00%	0	0.09%	0.0	0	0.06%	0.0
25	168	0	0.00%	0	0.12%	0.0	0	0.09%	0.0
26	199	0	0.00%	0	0.15%	0.0	0	0.12%	0.0
27	217	1	0.46%	0	0.18%	2.6	0	0.15%	3.1
28	261	0	0.00%	1	0.21%	0.0	0	0.18%	0.0
29	270	1	0.37%	1	0.24%	1.5	1	0.21%	1.8
30	282	0	0.00%	1	0.27%	0.0	1	0.22%	0.0
31	302	1	0.33%	1	0.30%	1.1	1	0.24%	1.4
32	300	1	0.33%	1	0.33%	1.0	1	0.25%	1.3
33	306	0	0.00%	1	0.36%	0.0	1	0.26%	0.0
34	317	0	0.00%	1	0.39%	0.0	1	0.28%	0.0
35	328	0	0.00%	1	0.42%	0.0	1	0.32%	0.0
36	320	0	0.00%	1	0.45%	0.0	1	0.36%	0.0
37	336	4	1.19%	2	0.48%	2.5	1	0.40%	3.0
38	356	3	0.84%	2	0.51%	1.7	2	0.44%	1.9
39	356	4	1.12%	2	0.54%	2.1	2	0.48%	2.3
40	371	0	0.00%	2	0.57%	0.0	2	0.50%	0.0
41	389	1	0.26%	2	0.60%	0.4	2	0.53%	0.5
42	386	3	0.78%	2	0.63%	1.2	2	0.55%	1.4
43	371	2	0.54%	2	0.66%	0.8	2	0.58%	0.9
44	326	2	0.61%	2	0.69%	0.9	2	0.60%	1.0
45	303	2	0.66%	2	0.72%	0.9	2	0.63%	1.0
46	275	4	1.45%	2	0.75%	1.9	2	0.67%	2.2
47	243	1	0.41%	2	0.78%	0.5	2	0.71%	0.6
48	223	1	0.45%	2	0.81%	0.6	2	0.74%	0.6
49	230	0	0.00%	2	0.84%	0.0	2	0.78%	0.0
50	206	0	0.00%	2	0.87%	0.0	2	0.79%	0.0
51	143	2	1.40%	1	0.90%	1.6	1	0.79%	1.8
52	122	0	0.00%	1	0.93%	0.0	1	0.80%	0.0
53	104	0	0.00%	1	0.96%	0.0	1	0.81%	0.0
54	80	0	0.00%	1	0.99%	0.0	1	0.82%	0.0
55	60	0	0.00%	1	1.02%	0.0	0	0.00%	
56	45	0	0.00%	0	1.05%	0.0	0	0.00%	
57	29	0	0.00%	0	1.08%	0.0	0	0.00%	
58	19	0	0.00%	0	1.11%	0.0	0	0.00%	
59	12	0	0.00%	0	1.14%	0.0	0	0.00%	
60	6	0	0.00%	0	1.17%	0.0	0	0.00%	
61	4	0	0.00%	0	1.20%	0.0	0	0.00%	
62	3	0	0.00%	0	1.23%	0.0	0	0.00%	
63	3	0	0.00%	0	1.26%	0.0	0	0.00%	
64	5	0	0.00%	0	1.29%	0.0	0	0.00%	
Totals:	8,580	33	0.38%	45	0.52%	0.7	37	0.43%	0.9

MUNICIPAL POLICEMEN'S AND FIREMEN'S PENSION AND RELIEF FUNDS OF WEST VIRGINIA

APPENDIX B

West Virginia Policemen's And Firemen's Pension And Relief Funds Mortality Healthy, Post-Retirement - Male

Age @ Death	Actual Experience			Current Assumptions ^a			Proposed Assumptions ^b		
	Exposures	Deaths	Actual Rate	Expected Deaths	Assumed Rate	Actual / Expected	Expected Deaths	Proposed Rate	Actual / Expected
50	6	0	0.0000%	0.0	0.2579%	0.0	0.0	0.4064%	0.0
51	87	0	0.0000%	0.2	0.2872%	0.0	0.4	0.4384%	0.0
52	128	0	0.0000%	0.4	0.3213%	0.0	0.6	0.4733%	0.0
53	164	0	0.0000%	0.6	0.3584%	0.0	0.8	0.5151%	0.0
54	177	0	0.0000%	0.7	0.3979%	0.0	1.0	0.5573%	0.0
55	214	1	0.4673%	0.9	0.4425%	1.1	1.3	0.5999%	0.8
56	228	0	0.0000%	1.1	0.4949%	0.0	1.5	0.6435%	0.0
57	244	4	1.6393%	1.4	0.5581%	2.9	1.7	0.6887%	2.4
58	249	4	1.6064%	1.6	0.6300%	2.5	1.8	0.7364%	2.2
59	260	1	0.3846%	1.8	0.7090%	0.5	2.0	0.7882%	0.5
60	258	2	0.7752%	2.1	0.7976%	1.0	2.2	0.8456%	0.9
61	264	0	0.0000%	2.4	0.8986%	0.0	2.4	0.9101%	0.0
62	262	1	0.3817%	2.7	1.0147%	0.4	2.6	0.9829%	0.4
63	263	6	2.2814%	3.0	1.1471%	2.0	2.8	1.0653%	2.1
64	258	2	0.7752%	3.3	1.2940%	0.6	3.0	1.1580%	0.7
65	247	4	1.6194%	3.6	1.4535%	1.1	3.1	1.2615%	1.3
66	229	1	0.4367%	3.7	1.6239%	0.3	3.2	1.3765%	0.3
67	226	2	0.8850%	4.1	1.8034%	0.5	3.4	1.5035%	0.6
68	210	3	1.4286%	4.2	1.9859%	0.7	3.5	1.6435%	0.9
69	199	0	0.0000%	4.3	2.1729%	0.0	3.6	1.7980%	0.0
70	200	8	4.0000%	4.7	2.3730%	1.7	3.9	1.9687%	2.0
71	190	5	2.6316%	4.9	2.5951%	1.0	4.1	2.1577%	1.2
72	166	4	2.4096%	4.7	2.8481%	0.8	3.9	2.3674%	1.0
73	161	7	4.3478%	5.0	3.1201%	1.4	4.2	2.6008%	1.7
74	149	8	5.3691%	5.1	3.4051%	1.6	4.3	2.8608%	1.9
75	131	4	3.0534%	4.9	3.7211%	0.8	4.1	3.1507%	1.0
76	110	0	0.0000%	4.5	4.0858%	0.0	3.8	3.4740%	0.0
77	104	5	4.8077%	4.7	4.5171%	1.1	4.0	3.8346%	1.3
78	95	5	5.2632%	4.8	5.0211%	1.0	4.0	4.2369%	1.2
79	85	4	4.7059%	4.7	5.5861%	0.8	4.0	4.6856%	1.0
80	86	6	6.9767%	5.3	6.2027%	1.1	4.5	5.1859%	1.3
81	88	10	11.3636%	6.0	6.8615%	1.7	5.1	5.7434%	2.0
82	83	5	6.0241%	6.3	7.5532%	0.8	5.3	6.3644%	0.9
83	87	5	5.7471%	7.2	8.2510%	0.7	6.1	7.0561%	0.8
84	85	9	10.5882%	7.6	8.9613%	1.2	6.7	7.8261%	1.4
85	82	14	17.0732%	8.0	9.7240%	1.8	7.1	8.6831%	2.0
86	67	4	5.9701%	7.1	10.5792%	0.6	6.5	9.6365%	0.6
87	58	8	13.7931%	6.7	11.5671%	1.2	6.2	10.6965%	1.3
88	38	4	10.5263%	4.8	12.6980%	0.8	4.5	11.8750%	0.9
89	32	2	6.2500%	4.5	13.9452%	0.4	4.2	13.1850%	0.5
90	20	5	25.0000%	3.1	15.2931%	1.6	2.9	14.6410%	1.7
91	10	2	20.0000%	1.7	16.7260%	1.2	1.6	16.1805%	1.2
92	9	0	0.0000%	1.6	18.2281%	0.0	1.6	17.7682%	0.0
93	9	3	33.3333%	1.8	19.8392%	1.7	1.7	19.3835%	1.7
94	4	0	0.0000%	0.9	21.5700%	0.0	0.8	21.0178%	0.0
95	5	1	20.0000%	1.2	23.3606%	0.9	1.1	22.6707%	0.9
96	3	1	33.3333%	0.8	25.1510%	1.3	0.7	24.3460%	1.4
97	0	0		0.0	26.8815%		0.0	26.0487%	
98	0	0		0.0	28.5277%		0.0	27.7810%	
99	0	0		0.0	30.1298%		0.0	29.5399%	
100	0	0		0.0	31.7238%		0.0	31.3988%	
101	0	0		0.0	33.3461%		0.0	33.4365%	
Totals:	6,330	160	2.5276%	164.7	2.6014%	1.0	147.9	2.3358%	1.1

^a 1994 Group Annuity mortality table.

^b RP-2014 Blue Collar Total Healthy Annuitant mortality table, sex distinct, and generational mortality improvement using MP-2014 2-dimensional mortality improvement scales.

**MUNICIPAL POLICEMEN'S AND FIREMEN'S PENSION AND
RELIEF FUNDS OF WEST VIRGINIA
APPENDIX B**

**West Virginia Policemen's And Firemen's Pension And Relief Funds
Mortality Disabled - Male**

Age @ Death	Actual Experience			Current Assumptions ^a			Proposed Assumptions ^b		
	Exposures	Deaths	Actual Rate	Expected Deaths	Assumed Rate	Actual / Expected	Expected Deaths	Proposed Rate	Actual / Expected
25	0	0		0.0	0.0779%		0.0	0.0918%	
30	1	0	0.0000%	0.0	0.0849%	0.0	0.0	0.1232%	0.0
35	2	0	0.0000%	0.0	0.0999%	0.0	0.0	0.1743%	0.0
40	15	0	0.0000%	0.0	0.1458%	0.0	0.0	0.2554%	0.0
45	15	0	0.0000%	0.0	0.2326%	0.0	0.1	0.3765%	0.0
50	33	0	0.0000%	0.1	0.3979%	0.0	0.2	0.5573%	0.0
55	30	0	0.0000%	0.2	0.7090%	0.0	0.2	0.7882%	0.0
60	47	3	6.3830%	0.6	1.2940%	4.9	0.5	1.1580%	5.5
61	48	2	4.1667%	0.7	1.4535%	2.9	0.6	1.2615%	3.3
62	48	0	0.0000%	0.8	1.6239%	0.0	0.7	1.3765%	0.0
63	52	0	0.0000%	0.9	1.8034%	0.0	0.8	1.5035%	0.0
64	42	1	2.3810%	0.8	1.9859%	1.2	0.7	1.6435%	1.4
65	45	1	2.2222%	1.0	2.1729%	1.0	0.8	1.7980%	1.2
66	44	2	4.5455%	1.0	2.3730%	1.9	0.9	1.9687%	2.3
67	36	0	0.0000%	0.9	2.5951%	0.0	0.8	2.1577%	0.0
68	32	2	6.2500%	0.9	2.8481%	2.2	0.8	2.3674%	2.6
69	35	0	0.0000%	1.1	3.1201%	0.0	0.9	2.6008%	0.0
70	33	0	0.0000%	1.1	3.4051%	0.0	0.9	2.8608%	0.0
71	31	1	3.2258%	1.2	3.7211%	0.9	1.0	3.1507%	1.0
72	32	2	6.2500%	1.3	4.0858%	1.5	1.1	3.4740%	1.8
73	32	2	6.2500%	1.4	4.5171%	1.4	1.2	3.8346%	1.6
74	24	1	4.1667%	1.2	5.0211%	0.8	1.0	4.2369%	1.0
75	19	1	5.2632%	1.1	5.5861%	0.9	0.9	4.6856%	1.1
76	20	0	0.0000%	1.2	6.2027%	0.0	1.0	5.1859%	0.0
77	15	0	0.0000%	1.0	6.8615%	0.0	0.9	5.7434%	0.0
78	17	0	0.0000%	1.3	7.5532%	0.0	1.1	6.3644%	0.0
79	16	1	6.2500%	1.3	8.2510%	0.8	1.1	7.0561%	0.9
80	15	3	20.0000%	1.3	8.9613%	2.2	1.2	7.8261%	2.6
81	8	1	12.5000%	0.8	9.7240%	1.3	0.7	8.6831%	1.4
82	12	0	0.0000%	1.3	10.5792%	0.0	1.2	9.6365%	0.0
83	15	2	13.3333%	1.7	11.5671%	1.2	1.6	10.6965%	1.2
84	16	2	12.5000%	2.0	12.6980%	1.0	1.9	11.8750%	1.1
85	16	1	6.2500%	2.2	13.9452%	0.4	2.1	13.1850%	0.5
86	16	4	25.0000%	2.4	15.2931%	1.6	2.3	14.6410%	1.7
87	12	1	8.3333%	2.0	16.7260%	0.5	1.9	16.1805%	0.5
88	7	0	0.0000%	1.3	18.2281%	0.0	1.2	17.7682%	0.0
89	5	1	20.0000%	1.0	19.8392%	1.0	1.0	19.3835%	1.0
90	3	0	0.0000%	0.6	21.5700%	0.0	0.6	21.0178%	0.0
91	4	1	25.0000%	0.9	23.3606%	1.1	0.9	22.6707%	1.1
92	3	0	0.0000%	0.8	25.1510%	0.0	0.7	24.3460%	0.0
93	3	2	66.6667%	0.8	26.8815%	2.5	0.8	26.0487%	2.6
94	1	0	0.0000%	0.3	28.5277%	0.0	0.3	27.7810%	0.0
95	1	0	0.0000%	0.3	30.1298%	0.0	0.3	29.5399%	0.0
96	0	0		0.0	31.7238%		0.0	31.3988%	
97	0	0		0.0	33.3461%		0.0	33.4365%	
98	0	0		0.0	35.0330%		0.0	35.4599%	
99	0	0		0.0	36.8542%		0.0	37.4524%	
100	0	0		0.0	38.7855%		0.0	39.3982%	
101	0	0		0.0	40.7224%		0.0	41.2831%	
Totals:	1,374	45	3.2751%	43.9	3.1924%	1.0	40.0	2.9113%	1.1

^a 1994 Group Annuity mortality table set forward four years.

^b RP-2014 Blue Collar Total Healthy Annuity mortality table, sex distinct, with rates set forward four years, and generational mortality improvement using MP-2014 2-dimensional mortality improvement scales.

MUNICIPAL POLICEMEN'S AND FIREMEN'S PENSION AND RELIEF FUNDS OF WEST VIRGINIA

APPENDIX B

West Virginia Policemen's And Firemen's Pension And Relief Funds Mortality Healthy, Pre-Retirement - Male

Age @ Death	Actual Experience			Current Assumptions ^a			Proposed Assumptions ^b		
	Exposures	Deaths	Actual Rate	Expected Deaths	Assumed Rate	Actual / Expected	Expected Deaths	Proposed Rate	Actual / Expected
20	8	0	0.0000%	0.0	0.0431%	0.0	0.0	0.0525%	0.0
21	31	0	0.0000%	0.0	0.0451%	0.0	0.0	0.0581%	0.0
22	58	0	0.0000%	0.0	0.0473%	0.0	0.0	0.0632%	0.0
23	77	0	0.0000%	0.0	0.0501%	0.0	0.1	0.0659%	0.0
24	120	0	0.0000%	0.1	0.0530%	0.0	0.1	0.0668%	0.0
25	159	0	0.0000%	0.1	0.0562%	0.0	0.1	0.0626%	0.0
26	186	0	0.0000%	0.1	0.0592%	0.0	0.1	0.0598%	0.0
27	204	1	0.4902%	0.1	0.0618%	7.9	0.1	0.0581%	8.4
28	247	1	0.4049%	0.2	0.0641%	6.3	0.1	0.0575%	7.0
29	256	0	0.0000%	0.2	0.0662%	0.0	0.1	0.0577%	0.0
30	273	0	0.0000%	0.2	0.0681%	0.0	0.2	0.0585%	0.0
31	295	0	0.0000%	0.2	0.0698%	0.0	0.2	0.0599%	0.0
32	293	2	0.6826%	0.2	0.0713%	9.6	0.2	0.0617%	11.1
33	299	0	0.0000%	0.2	0.0721%	0.0	0.2	0.0637%	0.0
34	310	0	0.0000%	0.2	0.0722%	0.0	0.2	0.0657%	0.0
35	319	0	0.0000%	0.2	0.0723%	0.0	0.2	0.0677%	0.0
36	310	0	0.0000%	0.2	0.0733%	0.0	0.2	0.0694%	0.0
37	328	0	0.0000%	0.2	0.0757%	0.0	0.2	0.0713%	0.0
38	350	2	0.5714%	0.3	0.0798%	7.2	0.3	0.0738%	7.7
39	348	1	0.2874%	0.3	0.0849%	3.4	0.3	0.0770%	3.7
40	362	0	0.0000%	0.3	0.0911%	0.0	0.3	0.0813%	0.0
41	381	0	0.0000%	0.4	0.0983%	0.0	0.3	0.0868%	0.0
42	379	0	0.0000%	0.4	0.1064%	0.0	0.4	0.0938%	0.0
43	361	0	0.0000%	0.4	0.1149%	0.0	0.4	0.1026%	0.0
44	319	0	0.0000%	0.4	0.1239%	0.0	0.4	0.1134%	0.0
45	295	0	0.0000%	0.4	0.1341%	0.0	0.4	0.1259%	0.0
46	267	0	0.0000%	0.4	0.1464%	0.0	0.4	0.1407%	0.0
47	234	1	0.4274%	0.4	0.1614%	2.6	0.4	0.1572%	2.7
48	216	1	0.4630%	0.4	0.1787%	2.6	0.4	0.1757%	2.6
49	224	0	0.0000%	0.4	0.1977%	0.0	0.4	0.1961%	0.0
50	199	1	0.5025%	0.4	0.2192%	2.3	0.4	0.2182%	2.3
51	137	1	0.7299%	0.3	0.2441%	3.0	0.3	0.2421%	3.0
52	118	0	0.0000%	0.3	0.2731%	0.0	0.3	0.2681%	0.0
53	100	0	0.0000%	0.3	0.3046%	0.0	0.3	0.2962%	0.0
54	77	0	0.0000%	0.3	0.3382%	0.0	0.3	0.3270%	0.0
55	60	0	0.0000%	0.2	0.3761%	0.0	0.2	0.3608%	0.0
56	44	0	0.0000%	0.2	0.4207%	0.0	0.2	0.3984%	0.0
57	28	0	0.0000%	0.1	0.4744%	0.0	0.1	0.4409%	0.0
58	19	0	0.0000%	0.1	0.5355%	0.0	0.1	0.4890%	0.0
59	12	0	0.0000%	0.1	0.6027%	0.0	0.1	0.5440%	0.0
60	6	0	0.0000%	0.0	0.6780%	0.0	0.0	0.6067%	0.0
61	4	0	0.0000%	0.0	0.7638%	0.0	0.0	0.6781%	0.0
62	3	0	0.0000%	0.0	0.8625%	0.0	0.0	0.7592%	0.0
63	3	0	0.0000%	0.0	0.9750%	0.0	0.0	0.8511%	0.0
64	5	0	0.0000%	0.1	1.2355%	0.0	0.0	0.9546%	0.0
Totals:	8,324	11	0.1321%	9.6	0.1153%	1.1	9.0	0.1084%	1.2

^a 85 percent of 1994 Group Annuity mortality table.

^b RP-2014 Blue Collar Total Healthy Employee mortality table, sex distinct, with generational mortality improvement using MP-2014 2-dimensional mortality improvement scales.

REQUEST FOR PROPOSAL

Municipal Pensions Oversight Board

Requisition No: MPOB# 1297

TABLE OF CONTENTS

1. Table of Contents
2. Section 1: General Information and Instructions
3. Section 2: Instructions to Vendors Submitting Bids
4. Section 3: General Terms and Conditions
5. Section 4: Project Specifications
6. Section 5: Vendor Proposal
7. Section 6: Evaluation and Award
8. Certification and Signature Page

SECTION ONE: GENERAL INFORMATION

1. Purpose: The Municipal Pensions Oversight Board hereinafter referred to as the "MPOB" is soliciting proposals pursuant to **West Virginia Code §8-22-20(c)(5)** to procure the services of a qualified actuarial firm to perform an independent audit of the actuarial services provided to the MPOB by its current actuarial consultant, Gabriel Roeder Smith & Company hereinafter referred to as "GRS".
2. By signing and submitting its proposal, the successful Vendor agrees to be bound by all the terms contained in this Request for Proposal ("RFP").

An RFP is generally used for the procurement of services in situations where price is not the sole determining factor and the award will be based on a combination of cost and technical factors (Best Value). Through its proposal, the bidder offers a solution to the objectives, problem, or need specified in the RFP, and defines how it intends to meet (or exceed) the RFP requirements.

3. Schedule of Events:

RFP Issued.....	07/20/16
Mandatory Pre-bid Conference.....	TBD
Vendor's Written Questions Submission Deadline.....	08/17/16
Addendum Issued.....	08/31/16
Bid Opening Date.....	09/14/16
Oral Presentation.....	TBD
RFP Award.....	10/14/16

REQUEST FOR PROPOSAL

Municipal Pensions Oversight Board

Requisition No: MPOB# 1297

SECTION FOUR: PROJECT SPECIFICATIONS

1. **Location:** Agency is located at 301 Eagle Mountain Road, Suite 251 Charleston, WV 25311.
2. **Background and Current Operating Environment:** The MPOB was created by an act of the Legislature in November of 2009. By April 2012 all of the functions were transferred from the West Virginia State Treasurer's Office to the MPOB. The MPOB oversees 53 municipal policemen and firefighter pension plans across 31 cities with approximately 1,703 eligible members and 2,145 eligible retirees. The number of eligible members in any one of the plans can be as low as zero members to as high as 155 members, while the number eligible retirees' in any one of the plans can be as low as one retiree to as high as 230 retirees. One of the many responsibilities of the MPOB established by West Virginia Code is the "providing for actuarial studies". Currently, the MPOB has a contract with GRS to provide annual actuarial valuations on each of the 53 policemen and firefighter pension plans, with a final year end consolidated report of all the plans provided to the Joint Standing Committee on Pensions and Retirement of the West Virginia Legislature. GRS applies one set of actuarial assumptions for all of the plans, with the exception of the discount rate. The discount rate is determined using a matrix devised by GRS and approved by the MPOB Board. Because of the many varying levels of asset allocations, unfunded liabilities, contribution requirements, etc. across all the plans, the discount rate is calculated separately for each plan.
3. **Qualifications and Experience:** Vendors will provide in **Attachment A: Vendor Response Sheet** information regarding their firm, qualifications and experience in completing an actuarial audit; at least three (3) references for a similar engagement and a proposed staffing plan for this project, including biographies of all staff identified for this project.
4. **Project and Goals:** The project goals and objectives are:
 - 4.1. **Goal/Objective 1**

To find an actuarial audit firm to determine whether actuarial methods, considerations and analysis used by the consulting actuary GRS in preparing the most recent actuarial valuations for the 53 policemen's and firefighters pension plans are technically sound and conform to the appropriate Standards of Practice as promulgated by the Actuarial Standards Board.
 - 4.2. **Goal/Objective 2**

REQUEST FOR PROPOSAL

Municipal Pensions Oversight Board

Requisition No: MPOB# 1297

To find an actuarial audit firm to perform an in depth review and analysis of the valuation results, including an evaluation of the data used for reasonableness and consistency as well as a review of mathematical calculations for completeness and accuracy.

4.3. Goal/Objective 3

GRS provides the municipalities a data collection format to use. Once the data has been collected, GRS will attempt to verify the data against independent audits, investment reports and prior year comparisons. In cases where the data collection format is incomplete or independent verifications sources are not available, GRS will often use prior year comparison and best estimates. MPOB is seeking an actuarial audit firm to verify that the data provided by the municipalities is consistent with the data used by GRS. Verify the reasonableness of the calculation of the unfunded actuarial accrued liabilities and verify GRS's calculation of retirement benefits pursuant to West Virginia Code.

4.4. Goal/Objective 4

Using the most recent experience study as a basis, find an actuarial audit firm to provide an assessment of whether all the actuarial valuation assumptions are reasonable and consistent with generally accepted actuarial standards and practices. The assumptions evaluated should include both demographic and economic assumptions such as, but not limited to, mortality, retirement, separation rates, pay adjustment levels, rates of investment returns, discount rates and disability factors.

4.5. Goal/Objective 5

To find an actuarial audit firm to provide an in depth review and analysis for reasonableness, consistency and accuracy of all the Deferred Retirement Option Plans (DROP) prepared by GRS. GRS has prepared three DROP reports.

4.5. Goal/Objective 5

To find an actuarial audit firm to prepare a full replication of, at a minimum, **one** of the most recent actuarial valuations for **each** of the funding policies established by West Virginia Code. There are four funding policies: Standard Funding Policy WV Code §8-22-20(c)(1), Alternative Funding Policy WV Code §8-22-20(c)(1), Optional Funding Policy WV Code §8-22-20(e)(1) and Conservation Funding Policy WV Code §8-22-20(f)(1).

4.6. Goal/Objective 6

REQUEST FOR PROPOSAL

Municipal Pensions Oversight Board

Requisition No: MPOB# 1297

To find an actuarial audit firm to determine whether the actuarial methods, considerations and analysis used by the consulting actuary GRS in preparing the most recent experience study are technically sound and conform to the appropriate Standards of Practice as promulgated by the Actuarial Standard Board.

4.7. Goal/Objective 7

To find an actuarial audit firm to prepare a final written report and opinion containing the findings, recommendations and conclusions of the auditing actuary. GRS will be given the opportunity to prepare a written response, if they so desire. Their response will be included in the final report submitted to the MPOB. The auditing actuary will be required to present a formal presentation summarizing their written report to the MPOB.

5 **Mandatory Requirements**

The following mandatory requirements must be met by the Vendor as a part of the submitted proposal. Failure on the part of the Vendor to meet any of the mandatory specifications shall result in the disqualification of the proposal. The terms “must”, “will”, “shall”, “minimum”, “maximum”, or “is/are required” identify a mandatory item or factor. Decisions regarding compliance with any mandatory requirements shall be at the sole discretion of the MPOB.

5.1. Mandatory Requirement 1

Vendor shall provide only qualified actuaries for this project. A qualified actuary means only an actuary who is a member of the Society of Actuaries or the American Academy of Actuaries.

5.2. Mandatory Requirement 2

5.3. Mandatory Requirement 3

6. **Oral Presentations (Agency Option):** The Agency has the option of requiring oral presentations of all Vendors participating in the RFP process. If this option is exercised, it would be listed in the Schedule of Events (Section 1.3) of this RFP. During oral presentations, Vendors may not alter or add to their submitted proposal, but only clarify information. A description of the materials and information to be presented is provided below:

6.1. Materials and Information Required at Oral Presentation:

Vendor should be prepared to give to the evaluation committee a power point presentation and handouts reflecting how they intend to meet the goals, objectives and

REQUEST FOR PROPOSAL

Municipal Pensions Oversight Board

Requisition No: MPOB# 1297

mandatory requirements. Presentation should last at least sixty (60) minutes but not more than ninety (90) minutes, including the Q&A session and should be prepared to answer any questions from the committee about the oral presentation or other information relative to the proposal.

CICCARELLO, DEL GIUDICE & LAFON
ATTORNEYS AT LAW

SUITE 100
1219 VIRGINIA STREET EAST
CHARLESTON, WEST VIRGINIA 25301

MICHAEL J. DELGIUDICE
mikedel@cdlwv.com

TIMOTHY J. LAFON
tlafon@cdlwv.com

KEISHA MAY
kmay@cdlwv.com

ARTHUR T. CICCARELLO
(1930-2004)

TELEPHONE
304-343-4440

FACSIMILE
304-343-4464

May 4, 2016

Via Certified Mail-
Return Receipt Requested

Stephen G. Neddo, Chairman
West Virginia Municipal Pension Oversight Board
1700 MacCorkle Avenue, S.E.
Charleston, West Virginia 25314

Re: Donald A. Scurlock vs. Board of Trustees of the Nitro Policemen Pension
and Relief Trust Fund

Dear Dr. Mr. Neddo:

Enclosed herewith is a courtesy copy of a "Complaint for Declaratory Judgment and Further Relief" in relation to the above matter which I filed on April 25, 2016 in the Circuit Court of Kanawha County, West Virginia.

Should you have any questions or concerns, please do not hesitate to contact me.

Sincerely,


Michael J. Del Giudice

MJD/sbb

Enclosure

cc: Donald Scurlock (w/out enclosures)

S:\Iolly\Clients\Scurlock, Donald\Letter to Stephen Neddo 5-4-16.wpd

WVMPQB
RECEIVED
2016 MAY -5 P 2:35

WVMP08
RECEIVED

2016 MAR 25
DONALD A. SCURLOCK,

PLAINTIFF,

VS.

BOARD OF TRUSTEES OF THE
NITRO POLICEMEN PENSION
AND RELIEF TRUST FUND,

DEFENDANT.

FILED

2016 APR 25 AM 11:00

CATHY S. GATSON, CLERK
KANAWHA COUNTY CIRCUIT COURT

CIVIL ACTION NO. 16-C-609

Judge Webster

Copy

**COMPLAINT FOR DECLARATORY JUDGMENT
AND FURTHER RELIEF**

Now comes the Plaintiff, Donald A. Scurlock, by counsel, who for his causes of action against the Defendant, Board of Trustees of the Nitro Policemen Pension and Relief Trust Fund, states as follows:

PARTIES

1. The Plaintiff, Donald A. Scurlock, at all times herein mentioned was a resident of Putnam County, West Virginia.
2. The Defendant, Board of Trustees of the Nitro Policemen Pension and Relief Trust Fund, operates the Nitro Policemen Pension and Relief Trust Fund in Kanawha County, West Virginia.

JURISDICTION AND VENUE

3. All of the acts of the Defendant occurred in Kanawha County, West Virginia and therefore, jurisdiction and venue are both proper in the Circuit Court of Kanawha County, West Virginia.

STATEMENT OF FACTS

4. The Plaintiff has been an employee of the Nitro Police Department since on or about January 16, 1996.
5. The Plaintiff has also served in the United States Armed Forces between October, 1991 and September, 2005 as an M1 Armor Crewman in the Army National Guard.
6. During that period of time, the Plaintiff served in active duty for in excess of 44 months, including from January, 1992 through May, 1992 and during a Title 10 deployment in Iraq between October, 2003 and February, 2005.
7. During his years of service with the military, the Plaintiff earned a Bronze Star Medal with V device and oak leaf cluster, a Purple Heart, an Army Commendation Medal and an Army Achievement Medal with four oak leaf cluster.
8. As a permanent and full-time employee of the Nitro Police Department, the Plaintiff honorably served as a certified police officer for 20 years receiving such honors as Distinguished Service Award from United States Department of Justice Federal Bureau of Investigations for service with the FBI Violent Crimes Against Children Task Force and Distinguished Service Award from the United States Department of Justice for work in an investigation/prosecution of a heroin drug trafficking organization.
9. Having obtained 20 years of service with the Nitro Police Department, the Plaintiff is vested in and entitled to a retirement pension pursuant to West Virginia Code §8-22-25.

10. Pursuant to West Virginia Code §8-22-25(c), the Plaintiff is also entitled to additional pension benefits for his service in the military up to a maximum of four additional percent, and further entitled to retirement benefits regardless of age upon retirement.

11. By letter dated January 11, 2016, the Plaintiff advised the Defendant of his intent to retire from the Nitro Police Department.

12. Pursuant to a letter dated February 10, 2016, the Defendant has denied the Plaintiff the ability to retire and obtain his pension benefits immediately, but rather instructed him that he would have to wait until he attained the age of 50 years before he could draw his retirement.

COUNT I

(Declaratory Judgment)

13. The Plaintiff realleges, reasserts and incorporates by reference each and every allegation set forth in Paragraphs 1 through 12 of the Plaintiff's Complaint.

14. The ruling by the Board of Trustees of the Nitro Policemen Pension and Relief Trust Fund is contrary to their established procedures, practices and West Virginia law.

15. Pursuant to West Virginia Code §55-13-1 et seq., the Plaintiff is a person entitled to have this issue resolved by the Circuit Court of Kanawha County, West Virginia under a declaratory judgment action.

16. Pursuant to West Virginia Code §55-13-1 et seq., the Plaintiff is entitled to an Order from this Court declaring that he is entitled to receive pension benefits

retroactive to February 1, 2016.

COUNT II

(Statutory Construction)

17. The Plaintiff realleges, reasserts and incorporates by reference each and every allegation set forth in Paragraphs 1 through 16 of the Plaintiff's Complaint.

18. Pursuant to West Virginia Code §8-22-25(c), and the consistent judicial liberality afforded to statutory pension funds for municipal police officers, the statutory interpretation of West Virginia Code §8-22-25 mandates that the Plaintiff be entitled to receive his pension benefits upon attaining 20 years of service with the Nitro Police Department.

19. The Amendment made to West Virginia Code §8-22-25 during the 2013 regular session of the legislature effectively amended the statutory language and cannot be applied retroactively to adversely affect the Plaintiff, who had already obtained 18 years of service with the Nitro Police Department at the time of the Amendment.

20. As a result thereof, the Plaintiff is entitled to an Order from this Court declaring that the 2013 amendment to West Virginia Code §8-22-25 may not be retroactively applied to disallow him from obtaining pension benefits upon attaining 20 years of service with the Nitro Police Department.

COUNT III

(Collateral Estoppel)

21. The Plaintiff realleges, reasserts and incorporates by reference each

and every allegation set forth in Paragraphs 1 through 20 of the Plaintiff's Complaint.

22. In or about November, 2011, the Defendant allowed Captain Javins to receive his pension benefits prior to attaining the age of 50 based upon the same circumstances and conditions as being requested by the Plaintiff in these proceedings.

23. In that the Nitro Police Department has established precedence and allowed one of its members to obtain the exact same relief that this Plaintiff now seeks, the Defendant is estopped under the Doctrines of Collateral Estoppel and/or Equitable Estoppel from now arbitrarily and capriciously treating this Plaintiff differently than Captain Javins.

24. For the reasons set forth hereinabove, the Plaintiff is entitled to an Order from this Court declaring that he is entitled to retire and immediately draw his pension benefits.

COUNT IV

(Detrimental Reliance)

25. The Plaintiff realleges, reasserts and incorporates by reference each and every allegation set forth in Paragraphs 1 through 24 of the Plaintiff's Complaint.

26. West Virginia Code §8-22-25(c) was originally enacted in 1981.

27. This statutory section has been interpreted by at least one Court in the Circuit Court of Cabell County, West Virginia in the case styled Scott Fuller v. Board of Trustees of Policeman's Pension and Relief Fund of the City of Huntington, et al., Civil Action No. 10-C-690 to include service outside of the specific language of the

statute.

28. The Fuller case was utilized by the Defendant to award Captain Javins his pension benefits.

29. In particular, the Fuller case stated:

"In enacting this provision, it is abundantly clear that the West Virginia Legislature recognized and honored military service of police officers whose careers have been interrupted by active military service prior to 1981, thus including World War II, the Korean War and the Vietnam War. While unfortunately this Code provision has not been amended since the first and second Iraqi Wars, the War in Afghanistan, or the Global War on Terrorism, the liberal and remedial intent of the statute should obviously apply to plaintiff Fuller.

The West Virginia Supreme Court of Appeals has consistently held that "statutes creating a pension relief fund for municipal employees should receive a liberal construction". *Cawley v. Board of Trustees of Firemen's Pension or Relief Fund of City of Beckley*, 138 W.Va. 571, 578 (1953). The rule of statutory construction espoused in *Cawley* was reaffirmed in *Board of Trustees of the Firemen's Pension Relief Fund of the City of St. Albans v. Davis*, 215 W.Va. 539 (2004), holding that "[t]he reasoning underlying this rule of statutory construction is that the 'primary purpose of statutes providing for police and firemen's pensions is to protect the employee and his or her family.' " *Id.* at 453 (citations omitted).

Further support for the position of plaintiff Fuller and the liberality rule of statutory construction may be gleaned from the holdings of the United States Supreme Court in analogous situations. In *Fishgold v. Sullivan Dry Dock & Repair Corp.*, 328 US 275 (1946), the Court was required to analyze the purposes of the Selective Training and Service Act adopted during World War II. Speaking for a unanimous Court, Justice Douglas eloquently summarized the salutary purposes as follows:

The Act was designed to protect the veteran in several ways. He who was called to the colors was not to be penalized on his return by reason of his absence from his civilian job. He was, moreover, to gain by his service for his country and advantage which the law withheld from those who stay behind.

This legislation is to be liberally construed for the benefit of those who left private life to serve their country in its hour of great need. 328 U.S. at 284, 285.

Based upon the clear legislative intent which recognizes and, in fact, honors the military service of police officers whose careers have been interrupted in extended active military service for the citizens of this country, as well as the consistent judicial liberality afforded to statutes pertaining to the retirement of police officers, this Court holds, as a matter of law, that plaintiff Fuller was and remains entitled to receipt of retirement benefits from the Huntington Police Department effective May 28, 2010 (at age 49) as opposed to his attainment at the age of 50 years."

30. Based upon prior judicial interpretations of West Virginia Code §8-22-25(c), and in particular, the Fuller case and the Defendant awarding Captain Javins his pension benefits, the Plaintiff continued to remain in his employment with the Nitro Police Department.

31. By continuing his employment with the Nitro Police Department, the Plaintiff forewent any other employment opportunities in anticipation that he would be entitled to draw pension benefits upon reaching his 20 years of service with the Nitro Police Department.

32. Pursuant to Booth v. Simms, 193 W.Va. 323, 456 S.E.2d 167 (1995), it is presumed that the Plaintiff has incurred detrimental reliance in that he has served more than ten years with the Nitro Police Department.

33. For that reason, based upon the Doctrine of Detrimental Reliance, the Plaintiff is entitled to an Order from this Court declaring he is entitled to receive pension benefits upon retirement rather than waiting until he attains the age of 50

years.

PRAYER FOR RELIEF

WHEREFORE, the Plaintiff requests the Court enter an Order declaring that the Plaintiff is entitled to draw pension benefits as of the date of his retirement (i.e., February 1, 2016) rather than waiting until he attains the age of 50 years; that the Plaintiff be entitled to obtain retroactive pension benefits to February 1, 2016; and that the Plaintiff be entitled to obtain his attorney fees and costs incurred in bringing this action as permitted under West Virginia Code §55-13-10. The Plaintiff requests such other relief as this Court deems just.

DONALD A. SCURLOCK

By Counsel,

CICCARELLO, DEL GIUDICE & LAFON

By: 

Michael J. Del Giudice (WV #982)
1219 Virginia Street, East, Suite 100
Charleston, West Virginia 25301
Phone: (304) 343-4440
Attorney for Plaintiff

IN THE CIRCUIT COURT OF KANAWHA COUNTY, WEST VIRGINIA

SUMMONS

DONALD A. SCURLOCK,

PLAINTIFF,

VS.

CIVIL ACTION NO. 16-C-609
Judge Webster

BOARD OF TRUSTEES OF THE
NITRO POLICEMEN PENSION
AND RELIEF TRUST FUNDS,

DEFENDANT.

TO THE ABOVE NAMED DEFENDANT: -please serve:

Board of Trustees of the Nitro Police Department
Pension and Retirement Trust Fund
c/o B. K. Richardson, III, Secretary
Nitro Policemen Pension and Relief Trust Fund
P.O. Box 788
Nitro, West Virginia 25143

IN THE NAME OF THE STATE OF WEST VIRGINIA, you are hereby summoned and required to serve upon Michael J. Del Giudice whose address is Ciccarello, Del Giudice & LaFon, 1219 Virginia Street, East, Suite 100, Charleston, West Virginia 25301, an Answer, including any related counterclaim you may have, to the complaint filed against you in the above styled civil action, a true copy of which is herewith delivered to you. You are required to serve your answer within 30 days after service of this summons upon you, exclusive of the day of service. If you fail to do so, judgment by default will be taken against you for the relief demanded in the complaint and you will be thereafter barred for asserting in another action any claim you may have which must be asserted by counterclaim in the above styled civil action.

Dated: 4-25-16

STEFAN
Cathy S. Gatson, Clerk

Clerk of Court

*By J. Bradshaw
Deputy Clerk*

IN THE CIRCUIT COURT OF KANAWHA COUNTY, WEST VIRGINIA

SUMMONS

DONALD A. SCURLOCK,

PLAINTIFF,

VS.

CIVIL ACTION NO. 16-C-609
Judge Webster

BOARD OF TRUSTEES OF THE
NITRO POLICEMEN PENSION
AND RELIEF TRUST FUND,

DEFENDANT.

TO THE ABOVE NAMED DEFENDANT: -please serve:

Stephen G. Neddo, Chairman
West Virginia Municipal Pension Oversight Board
1700 MacCorkle Avenue, S.E.
Charleston, West Virginia 25314

IN THE NAME OF THE STATE OF WEST VIRGINIA, you are hereby summoned and required to serve upon Michael J. Del Giudice whose address is Ciccarello, Del Giudice & LaFon, 1219 Virginia Street, East, Suite 100, Charleston, West Virginia 25301, an Answer, including any related counterclaim you may have, to the complaint filed against you in the above styled civil action, a true copy of which is herewith delivered to you. You are required to serve your answer within 30 days after service of this summons upon you, exclusive of the day of service. If you fail to do so, judgment by default will be taken against you for the relief demanded in the complaint and you will be thereafter barred for asserting in another action any claim you may have which must be asserted by counterclaim in the above styled civil action.

Dated: 4-25-16

Cathy S. Gatson, Clerk
Clerk of Court By J. Bradshaw
Deputy Clerk

MPOB Purchasing Card Review/Audit Record

Cardholder Karen L. Neccuzzi

Billing Cycle Mar-16

Transaction Limit \$5,000.00 Monthly Limit _____

Reviewer: _____

Item	Trans Date	Vendor	Brief Item Description	Transaction Amount	Itemized Receipt/Delivered Y/N	S Document Number	Receiving Report Y/N	R* D* Contract Used Y/N**	Statewide Contract Used Y/N**	State Contract Number Used	If no SWIC used, Bids Sought or Required Y/N
1	2/16/2016	Komax	Invoice 168761 - February 2016 color copiers - \$7.55, bw -\$5.56	\$12.91	Y	1079173	Y	R	Y	Dig Cop 12	
2	2/16/2016	Komax	Invoice 168762 copier rent February 2016	\$214.67	Y	1079174	Y	R	Y	Dig Cop 12	
3	2/22/2016	ATT	Cellular charges - B Taylor - acct 287267230256 010316-020216	\$55.46	Y	1088785	Y	R	Y	CellPhone 13A	
4	2/25/2016	Office Max	Office supplies - MPOB1298 (page dividers, pen refills, post it, labels) invoice 484287	\$41.47	Y	1096736	Y	R	Y	Office02	
5	2/23/2016	Office Max	Office supplies - MPOB1298 Page dividers (Vendor to credit March statement - substituted higher priced item without notifying customer) Invoice 484747	\$27.88	Y	1099274	Y	R	Y	Office02	
				\$352.39							

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

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

Cardholder Certification/Date: Karen L. Neccuzzi 3/21/16

Reviewer-Auditor Certification/Date: Julia M. [Signature]

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.

MPQB Purchasing Card Review/Audit Record

Cardholder

Karen L. Neccuzzi

Billing Cycle

Apr-16

Transaction Limit

\$5,000.00 Monthly Limit

Reviewer:

Item	Trans Date	Vendor	Brief Item Description	Transaction Amount	Itemized Receipt/Del Ticket Y/N	S Document Number	Receiving Report Y/N	R* D* C* Y/N**	Statewide Contract Used Y/N**	State Contract Number Used	If no SWC used, Bids Sought or Required Y/N
1	3/21/2016	Bridge Road Bistro	Invoice 3171801 - March 17, 2016 Hospitality for MPQB Meeting - coffee, water, soda	\$43.50	Y	1142134	Y	R			
2	3/24/2016	Komax	Invoice 166762 copper rent March 2016 MPQB 1270	\$214.67	Y	1149864	Y	R	Y	Dig Cop 12	
3	3/24/2016	Komax	Invoice 171121 - 020116 - 030116 Copies - bw - \$13.61, Color-\$10.80	\$24.41	Y	1149863	Y	R	Y	Dig Cop12	
3	3/24/2016	ATT	Cellular charges - B Taylor - acct 287267230256 020318-030218	\$55.46	Y	1149865	Y	R	Y	CellPhone 13A	
4	3/28/2016	Admin Prof Conf	Reg. Fee - Conference Chicago 09/16/2016 - 09/21/2016 L Neccuzzi	\$1,465.00	Y	1154581	Y	R	Y		
* R - Reconciled/D - Disputed/C - Carryover from prev. month				\$1,803.04							

** If 'N', Reviewer must provide discrepancy Letterform

Cardholder Certification Date:

Karen L. Neccuzzi 4/19/16

Reviewer/Auditor Certification Date:

Shirley M. ... 4/19/16

I hereby certify that the items herein were received, properly accounted for and reviewed for compliance in accordance with purchasing rules and SAO Purchasing 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 May-16

Page 1 of 2

Transaction Limit \$5,000.00 Monthly Limit

Reviewer

Item	Trans Date	Vendor	Brief Item Description	Transaction Amount	Itemized Receipt/ Ticket Y/N	S 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	4/18/2016	IVS (Formerly Leaderphone)	Invoice 43130001 Conference Call MPOB Meeting 03/17/16	\$23.39	Y	1195238	Y	R	Y		
2	4/18/2016	ATT	Cellular charges - B Taylor - acct 287267230258 030316-040216	\$55.44	Y	1195237	Y	R	Y	CellPhone 13A	
2	4/18/2016	Konax	Invoice 173624 copier lease 4/1/2016 MPOB 1270	\$214.67	Y	1197616	Y	R	Y	Dig Cop 12	
3	4/18/2016	Konax	Invoice 173623 Copies March 2016 pw - \$14.07, Color \$26.96 MPOB 1270	\$41.03	Y	1197617	Y	R	Y	Dig Cop 12	
				\$334.53							

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

** If N/A, Review must provide discrepancy Using form

Cardholder Certification Date: *Karen L. Neccuzzi 5/12/2016*

Reviewer/Auditor Certification Date:

Tobin M. Hunt 5/12/16

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

June 2010

MPOB Purchasing Card Review/Audit Record

Cardholder Karen L. Neccuzzi

Billing Cycle Jun-16

Page 1 of 2

Transaction Limit \$5,000.00 Monthly Limit

Reviewer

Item	Trans Date	Vendor	Brief Item Description	Transaction Amount	Itemized Receipt/Del Ticket Y/N	S 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	5/6/2016	Office Max	Invoice 43130001 Adding Machine Tape - Carbonless P451202	\$11.15	Y	1230291	Y	R	Y	Office15	
			Shipping Tape and Dispenser AB-37502st	\$13.80	Y						
			5mm G2 Mech Pencil N4 51014	\$8.44	Y						
			Perm Glue Stick A1 99073	\$5.94	Y						
			SS Note 4 X 4 6 PK Lined TR A2 675-8sst	\$6.28	Y						
			PostIt 3x3 Recycled N A2 664R-24CP-AP	\$10.65	Y						
			Page Reinforcements Clear 200-A5-05T21	\$0.98	Y						
				\$57.24	Y						
2	5/16/2016	Kornax	Copies - April 2016 Invoice 175929 bw-\$7.25 color -\$39.32	\$46.57	Y	1244189	Y	R	Y	Dig Cop 12	
3	5/16/2016	Kornax	Invoice 173624 copier lease 5/3/2016 MPOB 1270 May 2016	\$214.67	Y	1244190	Y	R	Y	Dig Cop 12	
4	5/6/2016	ATT	Cellular phone charges B Taylor Acct. 287267230266 April 2016	\$55.44	Y	1281517	Y	R	Y	cellphone13A	
				\$55.44	Y						
				\$373.92	Y						

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

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

Cardholder Certification Date:

Karen L. Neccuzzi 6/12/16

Reviewer-Auditor Certification Date:

John M. ... 6/2/16

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.

AGENDA

Municipal Pensions Oversight Board

Meeting of the Board Members

September 15, 2016 – 10:00 A.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 16, 2016
- III. Old Business
 - a. Update on Letters to Point Pleasant City Council and Logan City Council
 - b. Update on the FY2016 Audit
 - c. Update on RFP for Reviewing Actuary
 - d. Update on Donald Scurlock vs. Board of Trustees of the Nitro Policemen's Pension and Relief Trust Fund
- IV. New Business
 - a. Huntington Firemen's Pension and Relief Fund
 - b. Disability Issue
 - c. Annual Training
 - d. Legislation
 - e. Revised MPOB Employee Handbook
 - f. P-Card Expenditures (July and August 2016)
 - g. Executive Director's Report
- V. Next Board Meeting is 10:00 am, December 15, 2016 Location 301 Eagle Mountain Road, Suite 251, Charleston, WV 25311
- VI. Adjournment

MUNICIPAL PENSIONS OVERSIGHT BOARD

Minutes of Meeting

September 15, 2016

ORIGINAL

SEALED

The Municipal Pensions Oversight Board (MPOB) met on September 15, 2016 at 10:00 a.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
- Jason Matthews, present
- Stephen Neddo, present
- Michael Payne, present by teleconference
- Craig Slaughter, absent
- Seth Wilson, present by teleconference

- **General Counsel:**
- Kelli Talbott, Chief Counsel Attorney General's Office, present

Staff:

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

Minute Taker:

- LeAnne Neccuzi

APPROVAL OF MINUTES

Minutes for the MPOB meeting on June 16, 2016 were presented for approval. *Motion: Moved by Mr. Matthews; Seconded by Mr. Fleck; Passed unanimously:*

RESOLVED, that the minutes of the June 16, 2016 MPOB meeting be approved as written.

OLD BUSINESS

Update on Letters to Point Pleasant City Council and Logan City Council

Mr. Taylor reported Point Pleasant mayor indicated the city is looking at increasing some of their municipal fees to better fund the pension plan. However, the mayor does not believe these increases will generate enough income to fully pay the annual pension costs. Mr. Taylor recommended the Board wait to see what ordinances are passed to increase revenue before taking any other action.

Mr. Taylor also reported the City of Logan is passing an ordinance to double its fire service fee in order to generate revenue to pay both fire and police pensions. Ms. Lisa Dooley paved the way for myself and Les Smith to visit in Logan with the mayor and pension board members. Mr. Taylor recommended the Board wait to see if the resolution passes to double the fire fees before taking any other action.

Update on FY2016 Audit

Mr. Smith indicated the testing is complete. Suttle and Stalnaker is waiting on the CPRB's numbers for the pension obligations for state agencies. Mr. Fleck indicated those figures likely will not be available until late in 2016 or even into 2017.

Approval of RFP for Reviewing Actuary (§8-22-20(c)(5))

Mr. Smith indicated the Request for Proposal (RFP) MPO1700000002 was released on August 17 through WVOASIS. The mandatory pre-bid meeting was on August 31st. Only KPMG attended by phone. No written questions were received by any vendor. The RFP proposals are due October 13th.

Donald A Scurlock vs. Board of Trustees of the Nitro Policemen's Pension and Relief Trust Fund

Ms. Talbott, Senior Deputy Attorney General, reported she filed a motion to intervene in the case. No response or objections were received. She drafted an agreed order for the attorneys for both other parties to sign to allow the MPOB to join the case. The agreed order has been

filed with Judge Webster, however she has not signed it. Ms. Talbott said we are at the mercy of the Court.

NEW BUSINESS

Huntington Firemen's Pension and Relief Fund

Mr. Taylor reported the Huntington Firemen's Pension and Relief Fund is calculating its pensions without using the definition of "salary or compensation" which is in WV Code §8-22-16d. The result of this action causes retirement pensions to be calculated at a higher amount than when the definition of salary is applied to the calculations. On Friday, July 8, 2016, the Huntington Firemen's Pension Board of Trustees passed the following motion.

"Henceforth, following the close of business on July 1, 2016, the Pension Board of the Fire Department of the City of Huntington shall utilize the calculator provided by the State of West Virginia Municipal Pension Oversight Board to calculate new pensions in accordance with the statutes of the State of West Virginia"

Mr. Kee requested Mr. Taylor discuss with the Director of Local Government Auditing in the State Auditor's Office whether his organization will be reviewing pension plan operations in future audits. Mr. Taylor was instructed to draft a letter to the Huntington Firemen's Pension Board of Trustees indicating the MPOB is aware they have not followed state statutes when determining retirements, that they have a fiduciary obligation to follow the law and make their plan whole. The letter should indicate the MPOB also has a fiduciary responsibility to the Huntington Firemen's Pension Plan. *MOTION: Moved by Mr. Payne, Seconded by Mr. Kee; Amended by Mr. Fleck; Passed unanimously.*

RESOLVED, that the Executive Director draft a letter with advice from legal counsel to the Huntington Firemen's Pension Board of Trustees indicating the MPOB is aware of a problem and the Huntington Firemen's Pension is to tell the MPOB what it intends to do to correct the issue.

Disability Issue

Mr. Taylor discussed a situation where a Firefighter with a local fire department, has filed for a permanent disability through his local Firemen's Pension Board. The member has previously filed for a temporary disability and that request was withdrawn before the

request was completed. Certain information supposedly provided by the physician appeared to be “doctored”. Legal counsel sent a letter to the members’ physician to confirm whether or not the physician completed the original set of documentation. The physician did not respond to our request. A second letter was sent to the physician, however that letter also was not responded to in writing. Verbally the physician’s nurse indicated they had received the requests and that the physician would not be answering the letter. *MOTION: Moved by Mr. Fleck, Seconded by Mr. Matthews; Passed unanimously.*

RESOLVED, that the file be sent back for clarification from the local board before the MPOB will act on the disability request.

Training

Mr. Taylor recommends there be two training sessions, one in Charleston and one in the northern part of the state. Mr. Taylor further indicated he would ask GRS to participate in the training to explain how to read the actuarial reports received each year. No motion was needed and Mr. Taylor will proceed with setting up training in November or December of 2016.

Legislation

Mr. Fleck suggested using CPRB’s statutes and current rules to craft a piece of legislation on errors and omissions that is consistent with CPRB’s statutes. Mr. Taylor was instructed to craft such a piece of legislation for consideration by the MPOB.

Mr. Kee suggested legislation for audits of municipal pension plans. Discussion followed suggesting we wait on any legislation for audits and instead talk with Suttle and Stalnaker and the State Auditor’s Office to see if their procedures require them to sample pension retirements and disability retirements as part of the audit plan for a municipality.

Mr. Taylor indicated several firefighters have indicated the WV Professional Firefighters Association (WVPFA) may ask for the MPOB to support legislation to continue DROP plans

in WV. Current law required the DROP participants to be enrolled by June 30, 2016. Mr. Matthews indicated the WVPFA has placed a hold on any discussion to address this issue.

Revised MPOB Employee Handbook

Motion: Moved by Mr. Fleck; Seconded by Mr. Kee; Passed unanimously.

RESOLVED, that the Board accept the changes to the Municipal Pensions Oversight Board Employee Handbookⁱ.

P-Card Expenditures (July and August 2016)

Mr. Smith presented the P-Card expenditures for July and August 2016. *MOTION: Moved by Mr. Kee; Seconded by Mr. Matthews; Passed unanimously.*

RESOLVED, that the MPOB accept the P-Card expenditure reports for July and August 2016ⁱⁱ, as written.

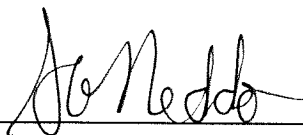
EXECUTIVE DIRECTOR'S REPORT

Mr. Taylor provided his report for the quarter.

ADJOURNMENT

Having concluded its business, the meeting adjourned. *MOTION: Moved by Mr. Kee; Seconded by Mr. Matthews; Passed unanimously:*

RESOLVED, that the September 15, 2016 meeting of the MPOB is adjourned.



Stephen Neddo, Chairman

Minutes approved 12/15/16
(date)

Attachments

ⁱ The Municipal Pensions Oversight Board Employee Handbook
ⁱⁱ P-Card expenditure reports for July and August 2016

**MUNICIPAL PENSIONS OVERSIGHT BOARD
EMPLOYEE HANDBOOK
EFFECTIVE SEPTEMBER 15, 2016**

GENERAL PROVISIONS

The Municipal Pensions Oversight Board (MPOB) Employee Handbook is provided as information and guidance only. That an employee carefully abides by all provisions of this Handbook creates no entitlement to continued employment (All employees of the MPOB serve at the will and pleasure of the Board and may be terminated with or without cause).

It is required that you read this handbook and sign a form acknowledging that you have done so.

The Municipal Pensions Oversight Board maintains a 40 hour work week for its employees. All full-time employees shall work either an 8 ½ hour day with a 30 minute unpaid lunch, or a 9 hour day with an hour unpaid lunch. Should the MPOB provide a flexible work schedule for any employee, the employee will be required to work the total 40 hours each week with any lunch periods being unpaid.

LEAVE POLICIES

Personal annual leave and personal sick leave are afforded to permanent employees who are in a 0.50 FTE up to a 1.0 FTE position (permanent employees working twenty (20) or more hours per week). Hourly employees, i.e. those not in permanent FTE positions are not eligible for personal annual leave or personal sick leave. Part-time permanent employees earn annual and sick leave on a pro rata basis.

In the spring of 2016, the State of West Virginia adopted the KRONOS Time and Leave Management program to track work times, all types of leave, including but not limited to annual, sick, jury, military, bereavement, etc. for all state employees. The MPOB began using the system on May 15, 2016.

ANNUAL LEAVE

State employees receive annual or vacation leave based on length of service. The amount of leave an employee may carry forward to the next year also varies by years of service.

Service Category	Accrual Rate	Carry-forward Maximum
Less than 5 years	4.616660 hours per pay period 4 hours: 37 minutes	240.0 Hours on Jan 1
5 years, less than 10	5.533330 hours per pay period 5 hours: 33 minutes	240.0 Hours on Jan 1
10 years, less than 15	6.466660 hours per pay period 6 hours: 28 minutes	280.0 Hours on Jan 1
15 years or more	7.383330 hours per pay period 7 hours: 24 minutes	320.0 hours on Jan 1

When an employee transfers to the MPOB from another state agency, their KRONOS record transfers to the employee's position within the MPOB.

Persons who leave state employment for any reason cannot be paid for more than the amount of leave carried from the prior year's ending balance plus any leave earned but not taken during the current

calendar year. When an employee is hired by another state agency, their KRONOS record will transfer to the employee's new employing agency.

Paid holidays are afforded to permanent employees who are in a 0.50 FTE up to a 1.0 FTE position. Hourly employees, i.e. those not in permanent positions are not eligible for paid holidays.

For new employees, the amount of leave accrued the first pay period will be based upon the total number of working hours and days in a given pay period and the total numbers of hours and days the employee worked. The KRONOS system automatically calculates that time earned.

The minimum charge against annual leave shall be 15 minutes. Annual leave is accrued to each employee's leave record at the end of every pay period. KRONOS is available to every employee through their MyApps Logon (issued to all state employees) from any device with internet access.

When an employee wishes to take annual leave, the employee must have it approved by the Executive Director as far in advance as possible (at least two weeks if more than two days are involved). The approval of annual leave may be governed by the season of the year. An employee should not expect to be granted annual leave during periods of work emergency--such as during the legislative session. Also, the employee should not expect to be granted leave each year that coincides with major holidays or other recurring events. These periods will be alternated among all employees. Leave in excess of five (5) days in duration shall be requested at least one month in advance to avoid work conflicts: Such leave requests can be granted on shorter notice by the Executive Director. All requests for annual leave should be entered into the KRONOS time and leave management system prior to the leave being taken. When situations occur where pre-approval of annual leave cannot be obtained, the employee must notify the Executive Director prior to the leave being taken and request the Executive Director to post the leave in KRONOS on behalf of the employee.

All employees of the MPOB are required to be away from the work site for one consecutive five (5) day period each calendar year. Other leave may also be granted based upon employee requests. This annual requirement may be waived by vote of the Board for an employee.

When it is impossible to report for work due to an emergency, the employee must contact the Executive Director prior to his/her regular starting time. Annual leave will be charged in such instances. For example, if a heavy snow hinders travel to a work assignment, the employee shall request annual leave for the time not worked unless the Governor or his designee declares otherwise via the Division of Personnel Emergency Situations-Inclement Weather Policy, <http://www.state.wv.us/admin/personnel/emprel/POLICIES/Emerg2.pdf>. If employees are dismissed early because of weather or for any other reason designated under the DOP Emergency Situations-Inclement Weather Policy, <http://www.state.wv.us/admin/personnel/emprel/POLICIES/Emerg2.pdf>, they shall not be charged leave for the remaining hours of the workday, but this in no way affects the leave status of those not reporting for work that day.

In the event of the death of an employee who has not used accrued accumulated annual leave, payments for the unused portion thereof shall be made in a manner that will cause it to accrue to the heirs or the estate of the employee.

PERSONAL SICK LEAVE

All permanent employees working 20 hours per week or more earn paid sick leave at a rate of hours equal to 5.55000 hours (5 hours: 33 minutes) each pay period. Hourly employees, i.e. those not in permanent FTE positions are not eligible for personal sick leave. There is **no limit** to the amount of sick leave an employee can accumulate year to year. Sick leave may also be used for death in the immediate family or for family illnesses/injuries and medical appointments. Also, unused annual and sick leave may be used to increase employee retirement benefits or, for state employees who have been continuously employed prior to July 1, 2002 through the employee's date of retirement, to extend employer paid medical/health insurance.

When it is impossible to report for work due to a sick leave situation, the employee must contact the Executive Director prior to his/her regular starting time. If the employee has not entered the leave request in the KRONOS system, the Executive Director will enter the employee into the KRONOS system using the employees requested leave type (sick leave or annual leave) each day until the employee returns to work.

If more than 260 working days are required for recovery from an illness or injury, disability retirement should be considered.

When a person leaves employment by means other than retirement, all sick leave credited to the employee shall be canceled (or transferred) as of the last working day. However, accumulated sick leave will be reinstated if a former state permanent employee is re-hired by the MPOB within a period of two years from the day of separation.

The MPOB makes no distinction between personal sick leave and family sick leave. Sick leave encompasses both personal and family sick leave.

Sick leave is used only under the following conditions:

- * When the employee is unable to perform his/her duties because of illness or injury or an illness or injury to a member of the employee's immediate family.
- * When the employee or a member of the employee's immediate family undergoes medical, dental, or optical examinations or treatment.
- * When a doctor requires an employee to be absent himself/herself from work because of exposure to a contagious disease that would jeopardize the health of other employees by the employee's presence.

Immediate family is defined as father, mother, son, daughter, brother, sister, husband, wife, mother-in-law, father-in-law, son-in-law, daughter-in-law, stepmother, stepfather, foster parent, stepchild, grandparent, and grandchild.

The minimum charge against personal sick leave is 15 minutes.

Sick leave in excess of 3 working days or for lesser periods when deemed necessary by the Executive Director, must be supported by a medical certificate or other administratively acceptable evidence stating that the employee was unable to work. You may use the following Division of Personnel form, <http://www.state.wv.us/admin/personnel/forms/Leave/DOP-L3.pdf>. In the absence of such evidence, annual leave shall be charged for the entire period.

An employee who becomes ill and who is admitted to a hospital or has medical services performed in an emergency room while on previously approved annual leave may request that all or part of the time spent in a hospital or emergency room be charged to sick leave. The employee must request such action within 48 hours of returning to work and must provide a physician's statement or hospital statement listing the specific dates of hospitalization or emergency room services.

If sick leave is exhausted, any additional leave will be deducted from the balance of accrued annual leave. In the event that both sick and annual leave are exhausted, the employee's pay will be adjusted to compensate for the time taken in excess of available leave.

DONATED ANNUAL LEAVE PROGRAM

The Municipal Pensions Oversight Board uses the Division of Personnel's Leave Donation Program for its employees. Legislative Rule 143CSR2, <http://www.state.wv.us/admin/personnel/rules/rule707/143CSR2.PDF>, describes the program and responsibilities of each agency to implement the rule for its employees. Program procedures can be located

at <http://www.state.wv.us/admin/personnel/empcom/procedur.htm>. Forms for the Donated Leave Program for state employees can be found on the Division of Personnel's website at <http://www.state.wv.us/admin/personnel/empcom/leavedo.pdf>. Only annual leave, not sick leave, may be donated.

FAMILY AND MEDICAL LEAVE ACT (FMLA) AND WV PARENTAL LEAVE ACT

The Municipal Pensions Oversight Board follows the Division of Personnel's Family and Medical Leave Act-Parental Leave Act which is located at <http://www.state.wv.us/admin/personnel/emprel/POLICIES/Family%20Medical%20Parental%20Leave%201.pdf>. Forms related to the FMLA and Parental Leave Act are located on the Division of Personnel's website, <http://www.state.wv.us/admin/personnel/forms/default.htm>.

Below are links to some of the forms you may need to invoke your rights under FMLA or PLA.

- <http://www.state.wv.us/admin/personnel/forms/Leave/DOP-L4.pdf>
- <http://www.state.wv.us/admin/personnel/forms/Leave/DOP-L5.pdf>
- <http://www.state.wv.us/admin/personnel/forms/Leave/DOP-L6.pdf>
- <http://www.state.wv.us/admin/personnel/forms/Leave/DOP-L7.pdf>
- <http://www.state.wv.us/admin/personnel/forms/Leave/DOP-L8.pdf>
- <http://www.state.wv.us/admin/personnel/forms/Leave/DOP-L9.pdf>
- <http://www.state.wv.us/admin/personnel/forms/Leave/DOP-L10.pdf>

Federal law requires employers to post or make available in employee handbooks the information posted at <http://www.dol.gov/whd/regs/compliance/posters/fmlaen.pdf>. This hyperlink so meets this requirement.

COURT AND JURY LEAVE

The MPOB uses the Division of Personnel's policy on Court and Jury Leave. The policy is found at <http://www.state.wv.us/admin/personnel/emprel/POLICIES/Witness.pdf>.

BEREAVEMENT LEAVE

Up to 3 days of special bereavement leave may be granted for death in the immediate family as previously defined in the Personal Sick Leave section on page 4.

One day of special bereavement leave may be granted due to the death of an immediate relative other than immediate family. An immediate relative is defined as a nephew, niece, uncle, aunt, brother-in-law, or sister-in-law.

Bereavement leave will be taken from the employee's available sick leave balance. If sick leave is exhausted, any additional leave will be deducted from the balance of accrued annual leave. In the event that both sick and annual leave are exhausted, the employee's pay will be adjusted to compensate for the time taken in excess of available leave.

MILITARY LEAVE

Employees of the MPOB who are members of the National Guard or any of the Reserve components of the Armed Forces of the Federal Government or the U.S. Coast Guard are covered and entitled to military leave under §15-1F-1 of the West Virginia Code as amended and are covered by the Division of Personnel's Administrative Rule Chapter 29-6-10 Series I, 2007 Amended, Section 14.9. Military Leave. The following hyperlink, <http://www.state.wv.us/admin/personnel/emprel/toolbox/militaryleaveallot.pdf>, provides copies of both the WV Code and the Administrative Rule as well as direction for supervisors to use to determine the eligibility of an employee to invoke military leave. Further, MPOB employees who are members of the National Guard or any of the Reserve components of the Armed Forces of the Federal Government or the

U.S. Coast Guard are covered under the federal Uniformed Services Employment and Reemployment Rights Act and/or the federal Family and Medical Leave Act.

An employee shall be required to submit an order in writing (if available) from the appropriate military officer in support of the request for military leave as far in advance as possible, but not less than 14 days. If the MPOB is not provided a copy of written orders referencing the military leave, the MPOB may, at its discretion use the following form to obtain information as to the orders for an employee. The form is on the Division of Personnel's website at <http://www.state.wv.us/admin/personnel/emprel/toolbox/GuideVerifyMilitaryLeave.pdf> to obtain a copy of the written orders or reasonable facsimile thereof.

Any employee entering the "United States Armed Services in time of war, national emergency, or under compulsory provision of law of the United States in time of peace" must be granted a leave of absence with the MPOB for service. Upon completion of and discharge from any such armed service, the employee shall have the right to resume service with the MPOB without any prejudice whatsoever as to status, merit, rating or standing by reason of absence. Employees shall be credited with all annual leave, sick leave, and compensatory overtime not used at the commencement of military leave. Reemployment rights for veterans after an official military leave are described on the form at the following website, <http://www.state.wv.us/admin/personnel/emprel/toolbox/vetsrights.pdf>. This paragraph shall not be construed:

- * As an attempt to enlarge or extend the length of terms of any limited term employee or to create a definite term where no definite term with respect the position heretofore existed.

COMPENSATORY TIME OFF AND OVERTIME

The eligibility of employees of the MPOB for "compensatory time off" or "overtime pay" is governed by the US Fair Labor Standards Act (FLSA), as amended.

"Overtime" is generally defined as "hours actually worked in excess of forty (40) in any workweek." Annual or sick leave taken during the work week is not counted. "A workweek is a fixed and regularly recurring period of 168 hours--seven (7) consecutive twenty-four (24) hour periods.

The workweek for the MPOB is defined as 12:01 am Saturday to 12:00 midnight Friday.

All overtime must be approved in advance by the Executive Director. Eligible employees who are approved to work in excess of 40 hours in a workweek will receive overtime pay, at the rate of one and one-half hours for each hour of overtime worked.

ELIGIBILITY FOR OVERTIME

Not all employees are entitled to overtime compensation. Some employees are specifically exempted from the overtime requirements of FLSA, such as bona fide executive, administrative, and professional employees. Eligibility for exemption/coverage is determined by duties and responsibilities, not job title.

LEAVE OF ABSENCE WITHOUT PAY

A full-time employee, upon application in writing to, and subject to approval of the MPOB Board, may be granted a continuous personal leave of absence without pay for a period of time not to exceed six (6) months.

At the expiration of the leave of absence without pay, the employee shall be reinstated to the position previously held or one of comparable pay and duty without loss of rights, unless the position is no longer available.

 ORIGINAL

HEALTH AND LIFE INSURANCE DURING PERSONAL LEAVE OF ABSENCE

Employees who are on a personal leave of absence without pay may be required to pay 100% of the agency's portion of their health insurance premium and the employer's share of the term life insurance provided to all employees. The employee share of health insurance must continue to be paid by the employee. Employees must pay any optional insurance premiums during a personal leave of absence. Any employee provided premiums must be paid to the Public Employees Insurance Agency by the 15th of the month.

UNEXCUSED ABSENCE

An unexcused absence is when an employee fails to notify the Executive Director of an inability to report for work.

SUSPENSION

When an employee is placed on suspension, the MPOB, at its discretion, may make the suspension effective with pay (to the extent allowed by law) or without pay. If the suspension is with pay, the agency will continue to pay its share of the employee's health insurance premium. If the suspension is without pay, the employee must pay 100% of the agency's portion of his/her health insurance premium. At the discretion of the MPOB, if the suspension lasts for less than one pay period, the Board will determine whether the employer or the employee will pay the agency's share of the health insurance premium. The employee share of health insurance must also continue to be paid by the employee. All employees must pay any optional insurance premiums during a suspension.

RESIGNATION AND TRANSFERS

When an employee voluntarily resigns or transfers to another state agency from the MPOB, a copy of the employee's resignation letter must be submitted to the MPOB's payroll agent. The letter must state the last working day for the employee and how the employee wants leave time disbursed. The employee must also complete separation papers in the agent's payroll office. The Executive Director will conduct an exit interview to retrieve all properties belonging to the MPOB.

Sick leave time will not be granted after an employee submits a resignation letter unless approved by the Executive Director. An employee who has resigned and is still working through to the resignation date shall take annual leave for any event, planned or unplanned, where time away from the workplace is necessary. If the employee does not have enough annual leave available, the employee's payroll will be adjusted for the amount of time the employee is not in the workplace.

Annual leave and the pro-rated share of the employee's increment due upon leaving employment with the MPOB will be paid on the next consecutive payroll date or paid over time at the discretion of the separating employee.

PUBLIC EMPLOYEES RETIREMENT SYSTEM (PERS)

All permanent employees working 20 or more hours per week are mandatory members of the PERS, and deductions will be taken from their paychecks by the PERS to pay the required employee-contributions towards their retirement. More information is available at the PERS website: <http://www.wvretirement.com/PERS%20Plan%20Description.html>

DEFERRED COMPENSATION

West Virginia Retirement Plus is a supplemental retirement plan designed to provide an extra savings alternative for all state, county, city and other political subdivision employees. This retirement program is similar to a 401(k) plan in structure except that it is designed to supplement a participant's primary retirement plan.

Employee contributions to the Plan are managed via convenient payroll deductions. There are a variety of quality investment options including stable value funds and mutual funds representing various asset classes. Employees can also roll over funds into WV Retirement Plus from a former pension or 401(k) plan. Learn more here: www.wv457.com

EMPLOYMENT

Employees of the Municipal Pensions Oversight Board are not covered by the Division of Personnel's Civil Service system. WV Code §8-22-18a(a)(1) states "Employees of the oversight board are classified-exempt state employees."

Authorization for work at a second job while working as a full-time permanent employee of the MPOB must be obtained from the Executive Director. Employees desiring to work a second job must download and read and follow the Division of Personnel's Secondary Job-Certain Volunteer Activity policy. The policy hyperlink is <http://www.state.wv.us/admin/personnel/emprel/POLICIES/OtherEmp4.pdf> and the employee is required to complete the Request for Determination Regarding Secondary Employment or Volunteer Activity section which is attached to the hyperlinked form. The completed form is to be given to the Executive Director for review.

In no case will an employee be authorized to work an outside job which presents a conflict of interest to his/her work in the MPOB. What constitutes a conflict of interest is solely within the judgment of the Executive Director.

Employees must follow the ethical standards established by the West Virginia Governmental Ethics Act and any opinions issued by the West Virginia Ethics Commission. The Ethics Act - A Code of Conduct for Public Employees is a brochure published by the Ethics Commission provides guidance to state employees. The electronic version of the brochure is located at the hyperlink, http://www.ethics.wv.gov/SiteCollectionDocuments/Brochures_Booklets_Misc_Forms/Ethics%20Brochure%20Full%20Page%202009.pdf.

In the event that an employee is injured in the course of and resulting from covered employment, the employee may elect to receive either temporary total disability benefits from the MPOB's workers compensation insurer or sick leave benefits, but not both. If an employee receives sick leave benefits and then also receives disability benefits, the employee is required to pay back the sick leave benefits. If such pay back is not forthcoming, the MPOB will deduct the appropriate amount from the employee's subsequent payroll wages. The employee must notify the Executive Director in writing of receipt of workers compensation insurance payments as a result of an injury.

All employees of the Municipal Pensions Oversight Board are at will employees and can be discharged with cause or without cause of any type.

MPOB Purchasing Card Review/Audit Record

Cardholder Karen L. Necuzzi

Billing Cycle Aug-16

Transaction Limit \$5,000.00 Monthly Limit _____

Reviewer: _____

Item	Trans Date	Vendor	Brief Item Description	Transaction Amount	Itemized Receipt/Del Ticket Y/N	S 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	7/1/2016	Office Max	Zentra Computer Desk for L. Smith	\$184.99	Y	1331369	Y	R	Y	SWCOffice15	
2	7/15/2016	Office Max	#572338 - MPOB1706	\$184.99							
			Office Supplies - MPOB 1702	\$307.36	Y	1340857	Y	R	Y	SWCOffice15	
			(See attached order)	\$307.35							
3	7/15/2016	Myers Transfer	Relocation Services for MPOB on 7/29/16 moved to 301 Eagle Mtn Rd MPOB1303	\$446.66	Y	1340856	Y	R	N/A		
4	7/18/2016	K-mart	Returned card - wrong type of card	-\$9.55	Y	1343488	Y	R	Y		
			(Kmart credited tax which they never charged to begin with) MPOB1707	-\$8.55	Y						
5	7/18/2016	K-mart	Longer cord for copier/ fax machine	\$7.99	Y	1343488	Y	R	Y		
			MPOB1707 #087876119	\$7.99	Y						
6	7/18/2016	ATT	Cellular Charges B. Taylor 060316-070216 acct 287267230286	\$56.38	Y	1343487	Y	R	Y	ophone13A	
			Change of Address Request - fee	\$1.00	Y	1346018	Y	R	Y		
			Moved to 301 Eagle Mountain Road	\$1.00	Y						
8	7/19/2016	Komax	Copies - 060116 to 070116	\$65.49	Y	1346018	Y	R	Y	DigCop12	
			MPOB1270 BW-\$15.69, Color-\$49.80	\$65.49	Y						
9	7/19/2016	Komax	Copier Lease - 070116 to 080116	\$214.67	Y	1346017	Y	R	Y	DigCop12	
			MPOB 1270	\$214.67	Y						
10	7/19/2016	Suddenlink	10 Mg Circuit - Internet Connection 071616 to 081516 MPO1600000001	\$775.00	Y	1346015	Y	R	N		
			Conference Call service - 06/16/16	\$29.67	Y	1348000	Y	R	N		
11	7/20/2016	IVS Conferencing		\$29.67	Y						
				\$2,080.65	Y						

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

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

Cardholder Certification Date: 8/3/16

Karen L. Necuzzi

Reviewer-Auditor Certification Date: _____

John M. [Signature]

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.

MPOB Purchasing Card Review/Audit Record

Cardholder

Karen L. Neccuzzi

Billing Cycle

Jul-16 second half

Transaction Limit

\$5,000.00 Monthly Limit

Reviewer:

Item	Trans Date	Vendor	Brief Item Description	Transaction Amount	Itemized Receipt/Del Ticket Y/N	S Document Number	Receiving Report Y/N	R* D* Contract Y/N**	Statewide Contract Used Y/N**	State Contract Number Used	If no SWC used, Bid Sought or Required Y/N
1	6/30/2016	Fedex	Package Shipped - T Panter City of SC	\$11.75	Y	1317683	Y	R	Y		32-24
			Ring Wkpps for FD 783467961500	\$11.75							
2	6/13/2016	Fedex	Shipping Tape purchased for move	\$8.55	Y	1317684	Y	R	Y		32-22
			MPOB1306	\$8.55							
3	6/16/2016	Suddenlink	Service	\$775.00	Y	1319601	Y	R	Y		32-24
			MPO16-1 - Service 08/16-07/15/16	\$775.00							
				\$795.30							

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

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

Cardholder Certification/Date:

Karen L. Neccuzzi 7/20/16

Reviewer-Auditor Certification/Date:

John M. Shaw 7/20/16

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.

AGENDA

Municipal Pensions Oversight Board

Meeting of the Board Members

December 15, 2016 – 10:00 A.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 15, 2016
- III. Old Business
 - a. Update on Point Pleasant and Logan
 - b. Update on Huntington Firemen's Pension Board of Trustees Letter and Response
 - c. Update on RFP for Reviewing Actuary
 - d. Update on Donald Scurlock/Nitro Policemen's Pension Case
 - e. Update on Disability Issue
 - f. Annual Training
 - g. Legislation
 - i. Errors and Omissions Legislation
 - ii. 125% Plan funded status
- IV. New Business
 - a. FY2016 Audit Presentation – Suttle and Stalnaker
 - b. Consolidated Report – GRS Actuaries
 - c. GRS Contract Extension July 2017 – June 2018
 - d. Experience Study Changes mid FY for Municipalities
 - e. P-Card Expenditures (August - October 2016)
 - f. Selection of CY2017 Board Meeting Dates
 - g. Executive Director's Report
- V. Adjournment



ORIGINAL

MUNICIPAL PENSIONS OVERSIGHT BOARD
Minutes of Meeting
December 15, 2016

The Municipal Pensions Oversight Board (MPOB) met on December 15, 2016 at 10:00 a.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
- Jason Matthews, present by teleconference
- Stephen Neddo, present
- Michael Payne, present by teleconference
- Craig Slaughter, present
- Seth Wilson, present by teleconference (*joined meeting at 10:30*)

- **General Counsel:**
- Kelli Talbott, Chief Counsel – WV Attorney General's Office, present

Guests:

- Chris Lambert, Suttle & Stalnaker (*left meeting at 10:15 a.m.*)
- Ryan Mink, Suttle & Stalnaker (*left meeting at 10:15 a.m.*)
- David Palmer, Municipal League Board Member
- Alex Rivera, Gabriel Roeder Smith & Company - present by teleconference (*left meeting at 11:30 a.m.*)
- Lance Weiss, Gabriel Roeder Smith & Company - present by teleconference (*left meeting at 11:30 a.m.*)

Staff:

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

Minute Taker:

- LeAnne Neccuzi

APPROVAL OF MINUTES

Minutes for the MPOB meeting on September 15, 2016 were presented for approval: *Moved by Mr. Fleck; Seconded by Mr. Kee; Passed unanimously:*

RESOLVED, that the minutes of the September 15, 2016 Municipal Pensions Oversight Board meeting be approved as written.

Mr. Neddo asked to reorder the agenda and go to the section under New Business, “FY 2016 Audit Presentation” so that the guests from Suttle & Stalnaker, Chris Lambert and Ryan Mink may leave the meeting once they have presented their report.

OLD BUSINESS

Update on Point Pleasant and Logan

Mr. Taylor reported that he had sent letters to the City of Point Pleasant and the City of Logan as instructed by the MPOB at the June 2016 board meeting. Since then, both cities have enacted city ordinances increasing fees which are directed to their respective pension plans. The City of Logan increased its fire fee, anticipating it will bring in an additional \$75,000 annually. He also reported that for the last two months, starting in October and November, Logan has made approximately \$18,000 worth of payments into each of their pension plans. The City of Point Pleasant passed an ordinance increasing the police fee from \$3.18 a month to \$10.18 a month. Eighty-percent of the increase is being directed towards the police pension plan. Mr. Taylor recommends both cities report to the MPOB the total collections from these new fees for fiscal year 2017 and how much of that revenue went to each respective plan before further action is taken.

Update on Huntington Firemen’s Pension Board of Trustees Letter & Response

On November 30, 2016 the Huntington Firemen’s Pension and Relief Fund Board of Trustees responded to Mr. Taylor’s October 7, 2016 letter. Included with their response was an unsigned copy of Rules and Regulations of the Huntington Firemen’s Pension and Relief Fund. These rules have been promulgated after seeing a sample set of rules and regulations provided as an attachment to the October 7, 2016 letter from the Oversight Board. The Huntington Fire Pension Board of Trustees acknowledged having misinterpreted the state code and stated that they are prospectively going to apply benefits correctly. However,

retrospectively, they indicated in their letter they are not going back and making any changes to retirements already granted or to recover any money that has been overpaid.

After discussing Huntington's situation further, it was determined that there still are legal questions with respect to all parties involved and as to the different types of liability that would have to be considered should the city go back and try to collect the overpayments or continue on the path they are taking. GRS representatives, Mr. Rivera and Mr. Weiss provided comments related to the recommendations made to Huntington in their June 1, 2015 actuarial report.

With there being no further questions for Mr. Rivera or Mr. Weiss, they left the meeting.

Mr. Slaughter recommended taking a hard stance against any municipal pension plans having made pension miscalculations from the point where the MPOB began providing Trustee Training and including clarification of the calculation of pension funds. Mr. Slaughter suggested that legal counsel come back to the next MPOB meeting with a recommendation for what legal actions should be taken against any municipalities who knowingly pay out pension funds that have been incorrectly calculated. *Moved by Mr. Slaughter; Seconded by Mr. Fleck; Passed unanimously:*

RESOLVED, that the Municipal Pensions Oversight Board's Executive Director and legal counsel research a recommended course of action and to determine what the MPOB's legal recourse is regarding the City of Huntington Firemen's Pension Board of Trustees' decision regarding approval of pensions that do not comply with WV Code §8-22-16(d) and §8-22-25 to be presented at the next regular meeting.

Update on RFP for Reviewing Actuary

Mr. Smith updated the board on the status of the Actuarial Audit RFP (Request for Proposal) MPO1700000003. The original RFP was cancelled due to lack of bidders. With input from the Consolidated Public Retirement Board's (CPRB), the MPOB recrafted the RFP and subsequently released it to the public on October 27, 2016. Four vendors attended the pre-bid meeting on November 9th. Bids are due by 3:00 p.m. on December 16th. Mr. Smith stated that he would be contacting the Actuarial Audit RFP Committee members, Jeff Fleck, John

Kee, and Jason Matthews to set up a date and time for the vendors to do their oral presentations. The RFP is projected to be awarded on February 3, 2017.

Update on Donald Scurlock/Nitro Policemen's Pension Case

Mr. Neddo asked Ms. Talbott for an update on *Scurlock v. Board of Trustees of the Nitro Policemen Pension and Relief Trust Fund, Civil Action No. 16-C-1609*. Ms. Talbott reported that in June 2016, she had filed a motion in Kanawha County Circuit Court to intervene and in late August was successful in getting the counsel for the plaintiff and counsel for the defendant to agree on an order that would allow the WVAG to intervene on behalf of the MPOB so that the judge could sign the order. Signature from the judge is all that is needed to approve the order. As of December 15, 2016, the judge has still not signed the order. More recent attempts have been made to find out the status of the order, but there still has been no feedback from the judge. Ms. Talbott will follow up and notify Mr. Taylor once it has been signed.

Update on Disability Issue

Mr. Taylor reported on the status of the disability request for a City of Charleston Fireman. He indicated that there had been no attempt made to refile the request.

Annual Training

Mr. Taylor reported on the Trustee Training held on December 13th in South Charleston and on December 14th in Fairmont. He reported that 85 trustees attended the training in South Charleston and 74 people were trained in Fairmont. Five plans did not send anyone. He was pleased that the number in attendance was much higher compared to the numbers in past years.

Legislation

Mr. Taylor presented three drafts for consideration. The first, Correction of errors, underpayments and overpayments, the second, Fraud and penalties, and the third, minimum standards for annual municipality contributions. After discussion on all three, Mr. Taylor was directed to update the drafts by combining the first two pieces into one and adding

additional language to the last draft. The revised drafts will be presented at the January 26, 2017 MPOB meeting.

NEW BUSINESS

FY 2016 Audit Presentation – Suttle & Stalnaker

Mr. Kee stated that the Audit Committee had met with Auditors, Chris Lambert and Ryan Mink of Suttle & Stalnaker, PLLC, to receive their audit of the MPOB. Mr. Mink gave the MPOB a synopsis of the audit results. He reported that the audit resulted in an unmodified opinion with no significant findings or management comments, no past adjustments, and no post adjustments. He stated that they had no disagreements with management and that the MPOB was very easy to work with. He reported that they were pleased to see all of the controls, policies and procedures that are in place. In addition, he reported that they had no issues with the disbursements to the various municipalities. *MOTION: Moved by Mr. Kee, Seconded by Mr. Slaughter; Passed unanimously.*

RESOLVED, that the Municipal Pensions Oversight Board accept Suttle & Stalnaker's Audited Financial Statements with Other Financial Information for years ended June 30, 2016 and 2015ⁱ.

Having no further business, Mr. Lambert and Mr. Mink left the meeting.

Continuing with his request to reorder the agenda, Mr. Neddo, asked to move to the second agenda item under New Business, "Consolidated Report – GRS Actuaries" and introduced Mr. Lance Weiss of Gabriel Roeder & Smith, who along with Mr. Alex Rivera had joined the meeting by teleconference.

Consolidated Report – GRS Actuaries

Mr. Taylor asked Mr. Weiss and Mr. Rivera to present their report. Mr. Rivera told the Board the Experience Study of 2009-2014 caused several of the actuarial assumptions to be changed, which have affected the actuarial reports and thus the Consolidated Reportⁱⁱ. Two assumption changes that significantly increased the unfunded liabilities for the plans were discount rates and mortality table changes. Prior to the assumptions changes this year, the discount rates available for pension plans had been a rate between 5.0% and 7.0%. As a result of the experience study, the discount rates available for the majority of pension plans changed to a rate between 4.5% and 6.5%. For the most poorly funded plans the discount



rate dropped to 4.0% and for one plan the discount rate stayed the same at 7.0%. That plan is invested with the WV Investment Management Board. The mortality tables were updated from 1994 to 2014 tables. The 2014 tables not only take into account the expected longevity of plan members, but also take into account the date of birth for those members and the medical advancements at the time of their birth. The consultants gave an overview of the consolidated report which is attached.

GRS Contract Extension July 2017 - June 2018

MOTION: Moved by Mr. Slaughter, Seconded by Mr. Fleck; Passed unanimously.

RESOLVED, that the Executive Director of the Municipal Pensions Oversight Board is authorized to negotiate a one year extension for actuarial services with Gabriel Roeder Smith and Company.

Experience Study Changes mid FY for Municipalities

Mr. Taylor explained that Ms. Dooley had sent him an e-mail expressing concerns passed on to her from the municipalities who are on the Standard or Optional Methodologies because their annual contribution increased significantly due to a changes in actuarial assumptions. This practice causes the municipalities issues with budgeting for that item after their budgets have already been set for the year. Several potential legislative changes were discussed. Ultimately, it was determined that the MPOB would need to do a better job of educating the municipalities in regard to planning for potential changes in the assumptions every five years. The Oversight Board will create procedures for the preparation and undertaking of experience studies at least once every five years. As part of the procedures, the Board will send letters to each municipality informing them an experience study will be done within a set period of time, that the municipality needs to review its plans rates of return over the past X number of years to determine if those rates have over-performed/underperformed against the benchmark set by the actuary. Further, the Board will provide information about potential or projected assumption changes and how those changes will affect the municipal

contributions in future years. Mr. Palmer, indicated he would take this message back to the Municipal League and its members and report back any new concerns at a later date.

P-Card Expenditures (August – October 2016)

Mr. Smith presented the P-Card expenditures for August, September and October 2016.

MOTION: Moved by Mr. Kee; Seconded by Mr. Matthews; Passed unanimously.

RESOLVED, that the MPOB accept the P-Card expenditure reports for August, September and October 2016ⁱⁱⁱ, as written.

Selection of CY 2017 Board Meeting Dates

In addition to a meeting on January 26, 2017 to consider legislation for the upcoming session the standing MPOB meeting dates for 2017 are as follows:

- Thursday, March 16, 2017 at 1:00 p.m.**
- Thursday, June 15, 2017 at 1:00 p.m.**
- Thursday, September 21, 2017 at 1:00 p.m.**
- Thursday, December 14, 2017 at 1:00 p.m.**

EXECUTIVE DIRECTOR'S REPORT

Mr. Taylor provided his report for the quarter.

ADJOURNMENT

Having concluded its business, the meeting adjourned. *MOTION: Moved by Mr. Fleck; Seconded by Mr. Kee; Passed unanimously:*

RESOLVED, that the December 15, 2016 meeting of the MPOB is adjourned.



Stephen Neddo, Chairman

Minutes approved 1/26/17
(date)

Attachments

ⁱ Audited Financial Statements with Other Financial Information for Years Ending June 30, 2016 and 2015
ⁱⁱ Consolidated Report
ⁱⁱⁱ P-Card expenditure reports for August, September and October 2016

MPOB Purchasing Card Review/Audit Record

Cardholder: Karen L. Necuzzi

Billing Cycle: Aug-16

Transaction Limit: \$5,000.00 Monthly Limit

Reviewer:

Item	Trans Date	Vendor	Brief Item Description	Transaction Amount	Itemized Receipt/Del Ticket Y/N	S 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	8/4/2016	Graybar	Cable for fax machine BL625-bu	\$5.63	Y	1375134	Y	R	N		
			MPOB1705 Invoice 356417387	\$5.63							
2	8/4/2016	Fedex	Workpapers returned to City of Beckley Tracking #776906557786	\$7.97	Y	1382184	Y	R	N/A		
			Cell phone charges B. Taylor	\$56.38	Y	1402661	Y	R	Y	cphone13A	
			acct 28728730256 070316 to 080216	\$56.38							
4	8/19/2016	Komax	Copies - July 2016	\$14.12	Y	1405230	Y	R	Y	DigCop12	
			MPOB1707 #087876119	\$14.12							
5	8/19/2016	Komax	Copier Lease	\$214.67	Y	1405231	Y	R	Y	DigCop12	
			acct 287267230256	\$214.67							
6	8/23/2016	Canaan Valley	Lodging for L. Necuzzi - WV Purchasing Conference 082316 to 082516	\$289.38	Y	1407239	Y	R	N		
				\$289.38							
				\$588.15							

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

Cardholder Certification/Date: Karen L. Necuzzi 8/16

Reviewer-Auditor Certification/Date: Julie M. [Signature] 8/13/16

I hereby certify that the items hereinafter 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. Necuzzi

Billing Cycle: Sep-16

Transaction Limit: \$5,000.00 Monthly Limit

Reviewer:

Item	Trans Date	Vendor	Brief Item Description	Transaction Amount	Receipt/Del Ticket Y/N	TRAN Number	Receiving Report Y/N	R* O* C*	Statewide Contract Used Y/N**	State Contract Number Used	If no SWC used, Bids Sought or Required Y/N
1	9/7/2016	Fedex	Packages shipped to Bluefield Fire PF 083016 #777115420838	\$7.22	Y	1428030	Y	R	N		
2	9/8/2016	Office Max	MPOB 1703 Desk Pad Calendars for staff Invoice 945092	\$7.22	Y	1433308	Y	R	Y	SWCOffice15	
3	9/9/2016	Office Max	Office Supplies - See attached	\$12.54	Y	1433307	Y	R	Y	SWCOffice15	
4	9/12/2016	Suddenlink	MPOB 1703 Invoice 940420	\$313.12	Y	1438208	Y	R	N		
5	9/14/2016	Fedex	10 Meg Circuit (Inlimate) MPO1871 shwp816081108.1 for 081516 to 081516	\$775.00	Y	1441407	Y	R	N		
6	9/15/2016	Kroger	Pkg to Oak Hill Police PF Whisman 090716 #77715940435	\$9.61	Y	1443850	Y	R	N		
7	9/16/2016	ATT	Hospitality refreshments for 9/15/16 MPOB Mtg	\$12.64	Y	1446352	Y	R	Y	ophone13A	
8	9/19/2016	Komax	Cellular Phone charges B. Taylor Acct: 207267230259 080316 to 080216	\$56.38	Y	1449327	Y	R	Y	Digcop12	
9	9/19/2016	Komax	MPOB 1270 Komax copies August 2016 b/w \$10.98 and cobr \$78.48 Inv: 1985268	\$89.46	Y	1448326	Y	R	Y	Digcop12	
10	9/26/2016	Fedex	MPOB 1270 Komax copier lease Sept 2016 Invoice 185288	\$214.67	Y	1462801	Y	R	N		
11	9/28/2016	Hyatt Hotels	Pkgs sent by B. Taylor on 9/22/16 Fisher, C., Jones, Telbott	\$107.63	Y	1482800	Y	R	N		
12	9/28/2016	Office Max	Lodging for L. Necuzzi to attend APC in Chicago, IL Out of State Lodging 091716 to 092216 Folio 218647	\$1,309.35	Y	1475416	Y	R	Y		
13	10/3/2016	MS Conferencing	Card Stock and Water Mark Paper MPOB1710 Invoice 159418	118.69	Y	1475418	Y	R	Y	Office15	
12	10/3/2016	WV Prison Industries	Conference calls made 070116 to 083116 Invoice #43130003	27.22	Y	1475417	Y	R	N		
13	10/3/2016	WV Prison Industries	MPOB 1703 Business Cards for MPOB Staff Invoice P4170164	27.22	Y	1475417	Y	R	Y		
14	10/3/2016	Suddenlink	Book Case 36" x 94" Multi-Grain Finish MPOB 1701 Invoice FM44025	\$136.55	Y	1475415	Y	R	Y		
			10 Meg Circuit (Inlimate) MPO1871 shwp816081108.1 for 091616 to 101616	\$251.25	Y		Y	R			
				\$251.25	Y		Y	R			
				\$775.00	Y		Y	R			
				\$775.00	Y		Y	R			
				\$4,217.16	Y		Y	R			

*R - Reconciled/D - Disputed/C - Carryover from prev. month
 Karen D. D'Arcangelo 10/21/16
 Reviewer-Auditor Certification/Date: Karen D. D'Arcangelo 10/21/16
 **Y/N. Review must provide discrepancy listing form

Cardholder Certification/Date: _____
 I hereby certify that the items herein were received, property 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. Naccuzzi

Transaction Limit: \$5,000.00 Monthly Limit

Billing Cycle: Oct Nov-16

Reviewer:

Item	Trans Date	Vendor	Brief Item Description	Transaction Amount	Itemized Receipt/Del Ticket Y/N	S 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	10/5/2016	Capitol Business	Conference Room Furniture - See attached Quote and Invoice 74134 MPO1700000001	\$9,533.53 \$9,533.53	Y	1479910	Y	R	Y	system15b	
2	10/6/2016	Office Max	Office Supplies - MPOB 1712 resume paper (See attached order)	\$15.08 \$15.08	Y	1484698	Y	R	Y	SWCOffice15	
3	10/11/2016	USPS	Shipped Huntington letter to Bd mmbms and Kelli Talbot 10/11/16	\$16.02 \$16.02	Y	1491239	Y	R	N/A		
4	10/18/2016	Fedex	Shipped Letters to Mayor of Huntington & Fire PF Secretary Mellert #777437988034 and 777437928212	\$28.77 \$28.77	Y	1508936	Y	R	Y		
5	10/20/2016	Komar	Copies 09/1/16 to 10/01/16 MPOB 1270 Invoice 187701 bw \$12.32 & color \$70.32	\$82.64 \$82.64	Y	1508782	Y	R	Y	digcop12	
6	10/20/2016	Kornax	Copy Lease October 2016 MPOB 1270 Invoice 187702	\$214.87 \$214.87	Y	1508781	Y	R	Y	digcop12	
7	10/20/2016	ATT	Cellular Charges B. Taylor 09/03/16-10/02/16 acct 287287230256	\$58.35 \$58.35	Y	1511678	Y	R	Y	cellphone13A	
8	10/21/2016	Suddenlink	10 meg p2p to building 6 mpo16*1 - 10/16/2016-11/15/2016	\$775.00 \$775.00	Y	1511677	Y	R	Y		
9	10/25/2016	Fedex	Pkgs shipped - SC Fire PF Ring wkpps 10/19/2016 Huntington PD Ring wkpps 10/19/2016	\$33.14 \$33.14	Y	4848817 1516573	Y	R	Y		
10	10/25/2016	WV Prison Industries	5 cases 8 1/2 x 11 copy paper mpo1711 - Invoice CSR 44842	\$175.00 \$175.00	Y	1518744	Y	R	N		
11	10/28/2016	Ramco	cleaned and conditioned Destroyl 2604 c/c shredder, Invoice 18071	\$182.60 \$182.50	Y	1523815	Y	R	N		
				\$11,082.70							

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

** If "N" Reviewer must provide discrepancy listing form.

Cardholder Certification/Date: Karen L. Naccuzzi 11/21/16

Reviewer-Auditor Certification/Date: Jakey M. Smith 11/29/16

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.