

**AGENDA FOR A PERSONNEL
COMMITTEE MEETING TO BE HELD TUESDAY,
JULY 8, 2014, 6:30 PM EXECUTIVE CONFERENCE
ROOM, SECOND FLOOR, MUNICIPAL BUILDING**

(Councilmen Reed, Wilcox, Reynolds, and Rockhold)

- I. CALL TO ORDER – Councilwoman Sharon Lynch, Chairman
- II. ROLL CALL
- III. MINUTES – meeting held June 10, 2014
- IV. NEW BUSINESS
 - 1. Resolution amending our Nationwide 457 Deferred Compensation Plan to add a loan provision;
 - 2. Ordinance amending our classification plan to make our public safety tele-communicator a Grade H-8, (up from Grade H-6);
 - 3. Request to amend our policies and procedures, Section X, paragraph (f) concerning the City's retirement plans.
- V. ADJOURNMENT

The Personnel Committee of City Council met Tuesday, June 10, 2014, at 6:00 PM in the executive conference room on the second floor of the Municipal Building at One Government Square, Parkersburg, WV 26101.

The meeting was called to order by its Chairman, Councilwoman Sharon Lynch, who presided over the meeting. Assistant City Clerk, Dan Huffman, noted those attending as follows: Councilmen Jim Reed, Nancy Wilcox, Mike Reynolds, John Rockhold, and Sharon Lynch.

Others attending included Mayor Robert Newell, Pam Salvage, Eric Bennett, Ashley Flowers, Chief Taylor, and Rob Tebay; Roger Brown, JR Carpenter, Mike Reynolds, and John Kelly.

MINUTES – Ms. Wilcox moved, seconded by Mr. Reed, to approve the minutes from the meeting held March 25, 2014, and the motion was adopted by unanimous vote.

NEW BUSINESS – to discuss the assistant fire inspectors in the Fire Department.

MOTION – Mr. Rockhold moved, seconded by Mr. Reynolds, that the committee go into executive session in accordance with WV Code, Chapter 6, Article 9a-4, paragraph (2), and the motion was adopted by unanimous vote.

Mayor Robert Newell, all members of City Council, and Assistant City Attorney, Rob Tebay, were invited into the executive session at 6:02 PM.

At 6:47 PM, the committee resumed their seats in open session. Ms. Lynch stated that no decisions were made and no motions were made during the session.

The meeting adjourned at 6:48 PM.

Respectfully submitted,



Connie Shaffer, typist
Dan Huffman, attended the meeting

RESOLUTION

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF PARKERSBURG that the Nationwide 457 Deferred Compensation Plan be amended to add the attached loan provision.

Sponsored by Councilpersons Carpenter, Lynch, Reynolds, Rockhold, Brown, and Wilcox

GOVERNMENTAL PLANS
457(b) PLAN
PARTICIPANT LOAN ADMINISTRATIVE PROCEDURES

Nationwide Retirement Solutions, Inc. ("NRS") agrees to administer loans in accordance with the term of these Participant Loan Administrative Procedures as approved by the Sponsor of the Plan. The Sponsor is encouraged to consult with its legal advisors in determining whether the procedures identified herein are appropriate for its Plan.

The Sponsor acknowledges that NRS may need to make changes from time-to-time to the administrative procedures set forth herein and may request amendments to the Plan documents to maintain compliance of the loan program with Internal Revenue Service guidelines. In such a case, NRS will provide the Sponsor with timely notice of such changes as they become necessary.

The following administrative procedures shall govern participant loans offered in the Sponsor's 457(b) Plan:

- 1. Loan Administration.** Sponsor delegates to NRS certain administrative duties regarding the administration of loans from the Plan, which are set forth herein and which may be modified by NRS upon timely notice to Sponsor.
- 2. Loan Eligibility.** Any Plan participant who is an active employee at the time a loan is made is eligible for a loan from the Plan. Each participant is entitled to one (1) loan from the Plan at any time, and may not take out additional loans until the prior loan has been repaid in full. In addition, a participant who has defaulted on a previous loan shall not be eligible for another loan from the Plan until all defaulted loans are repaid in full, including accrued interest and fees.
- 3. Loan Application and Loan Agreement.** In order to receive a loan from the Plan, an eligible participant must complete a loan application and return it to NRS. A loan application fee of \$50.00¹ will be deducted from the participant's account(s) after the loan has been funded by the participant's account(s). Before a loan is issued, the participant must enter into a legally

¹ These fees and minimums are subject to change by NRS upon reasonable notice to the Plan Sponsor. Loan fees will appear as administrative charges on Participant Statements.

enforceable loan agreement as provided by NRS on behalf of the Plan. If the Sponsor permits loans for the purchase of the participant's principal residence, the participant will be required to sign a primary residence certificate form and provide NRS with sufficient additional documentation to support the purchase of a principal residence.

A Plan loan shall be made only from the Before-Tax Deferral Account or, if applicable, Rollover Accounts that are not attributable to after-tax rollovers (including rollovers of Roth accounts). Loans may be withdrawn only from pre-tax balances, after tax money sources will not be included in the calculation of the Participant's account for purposes of calculating availability for a loan. Additionally, no loans will be funded from any after tax money source. To the extent that a Participant has a self-directed brokerage account, no funding from such self-directed brokerage account shall be permitted. To the extent that insufficient funds from non-self-directed brokerage account are available to fund the loan, the loan shall not be approved.

4. Loan Repayment/Minimum and Maximum Loan Term. Repayment of any loan made to a participant shall be made in a manner and pursuant to the terms set forth in the loan agreement. Loans must be repaid through electronic debiting from a bank account. The participant receiving a loan shall be required to furnish the information and authorization necessary to effectuate the foregoing payments prior to the commencement of a loan. The minimum loan term over which a loan may be repaid is one (1) year. The maximum term over which a loan may be repaid is five (5) years (fifteen (15) years if the Sponsor permits loans for the purchase of the participant's principal residence) (See Section 17 below for more information about principal residence loans).

In the event that a participant elects to receive a distribution from the Plan that is less than 100% of his outstanding account balance at a time when such person has a plan loan outstanding, the participant may continue to make payments on the loan.

5. Loan Amortization. Each loan shall be amortized beginning approximately thirty (30) days from the date the loan is processed in substantially equal payments consisting of principal and interest during the term of the loan. Payments of principal and interest shall be made in a manner and pursuant to the terms set forth in the loan agreement not less frequently than quarterly. The amount of the final payment may be higher or lower.

6. Loan Frequency. Each participant may have only one (1) Plan loan outstanding at any given time from the Plan. A Plan loan which is in default, even if the defaulted loan was treated as a "deemed distribution" under federal regulations, shall be treated as an outstanding loan until the participant repays the total amount outstanding on the loan. NRS shall offset an active or defaulted loan upon a participant's request for a full distribution of his or her account from the Plan.

7. Rejected Payments. The participant must pay the full amount of each payment (principal and interest) on the date that it is due. If NRS is unable to process an ACH debit payment on the date due, NRS will assess a fee of \$25.00 that will be deducted from the participant's account(s) and will notify the participant of the rejected payment. If a payment is rejected because of insufficient funds, NRS will attempt to process the payment a second time within five (5) days of the rejected payment. If the second ACH debit processing fails, NRS will attempt to process two (2) payments on the next payment due date. If this fails, one last attempt will be made to process the payment within the next five (5) days. As an example, if a payment is due January 1 and the ACH debit payment is rejected on that date, NRS will attempt to process the payment again no later than January 6. If the January 6 attempt is rejected, NRS will attempt to process two payments on February 1. If this fails, NRS will make a final attempt to process the two payments no later than February 6.

8. Default. If a participant fails to make a loan payment when due, NRS will send written notification of the failure to the participant and request that payment be made within one calendar month of the payment due date. The entire amount of the loan will be defaulted and treated as a deemed distribution effective as of one calendar month following the original due date of the initial missed loan payment if both the missed payment and the next payment are not paid by that date. A deemed distribution is treated as a distribution from the Plan for federal (and possibly state or local) income tax purposes; therefore amounts treated as a deemed distribution will be subject to federal, state and/or local income taxes, and certain excise taxes and penalties may apply depending on the type of Plan. NRS will issue a Form 1099-R to the participant no later than January 31 of the year following the year in which the deemed distribution occurs reflecting the deemed distribution. Any payment made on a defaulted

loan must pay off the outstanding balance of the loan in full including accrued interest. Such payment following the date of default, will be treated as after tax amounts and the participant will receive tax basis in his or her Plan account for such amounts.

The entire outstanding balance of the loan will also be due and payable upon notification to NRS of the death of the participant and the outstanding balance of the loan will be treated as a deemed distribution if the loan is not repaid in full within one calendar month following the date of notification.

9. Loan Prepayment. The entire amount of a loan, including outstanding principal and any accrued interest, may be paid without penalty prior to the end of the term of the loan in the manner prescribed by NRS.

10. Loan Security. By accepting a loan, the participant is giving the Plan a security interest in his or her vested Plan balance equal to the total loan amount, but not to exceed 50% of the participant's vested Plan balance.

11. Minimum/Maximum Loan Amount. The minimum loan amount permitted is \$1,000.00². Account balances attributable to Section 3121 contributions and associated earnings will not be considered in determining the maximum and minimum loan amount. The maximum amount of any loan permitted under the Plan (when added to the outstanding balance of all other loans from the plan) is the lesser of (i) \$50,000, reduced by the excess (if any) of (A) the highest outstanding balance of loans from the plan during the one-year period ending on the day before the date on which the loan was made over (B) the outstanding balance of loans from the plan on the date on which the loan is made, or (ii) one half of the present value of the Participant's vested account balance.

Any tax reporting required as a result of the receipt by a participant of a loan that exceeds the limits imposed by federal regulations shall not be the responsibility of NRS, unless it is determined that such limits were exceeded solely as a result of a loan made through NRS as service provider. Consequently, NRS shall not be required to account for loans made pursuant to a plan other than this Plan or loans made under this Plan that are made by another provider.

² See footnote 1.

12. Loans Offered under Multiple Vendor Arrangements/Multiple Plans. The Internal Revenue Code requires that the maximum loan amount described in Section 11 above be applied in the aggregate to all loans made under any plan sponsored by an employer.

The Sponsor and/or participant and not NRS shall at all times remain responsible for ensuring that any loan received under the Plan is in accordance with such limits taking into account any other loans received by the participant under any other plans of the participant's employer. NRS shall apply the maximum loan amount limit and any other limits imposed under the Internal Revenue Code without regard to any other loans received by the participant from any other investment provider under this Plan or any other plan maintained by the Sponsor.

13. Suspension of Loan Payments. A participant's obligation to repay any loan under the Plan may be suspended during the period in which the participant is performing service in the United States military as may be required by law. The Participant must resume repayment of the loan upon his or her completion of military service and the outstanding loan balance, including any accrued interest and fees, must be repaid and may be re-amortized over a period that does not exceed the latest permissible term for a loan under the regulations plus the period of the military service. While the participant is on active duty in the United States military, the interest rate on the loan shall not exceed six percent (6%), compounded annually unless the Participant elects in writing during or after his or her military leave to have the loan higher interest rate, if applicable, apply to the loan.

In addition, a participant's obligation to repay any loan under the Plan may be suspended during the period (not to exceed one (1) year) while the participant is on an approved non-military leave of absence provided that the leave is not less than six (6) months and the participant provides requested documentation regarding the leave from his or her employer. The Participant must resume repayment of the loan upon his or her return from leave and the outstanding loan balance, including any accrued interest and fees, must be repaid and may be re-amortized over a period that does not exceed the latest permissible term for a loan under the regulations.

The Sponsor assumes responsibility to notify NRS when a Participant begins and returns from a leave described above as well as describe the type of leave.

14. Loan Interest Rate. The interest rates for a Plan loan shall be commensurate with interest rates being charged by entities in the business of lending money under similar circumstances. Generally, the rate assumed will be Prime Rate + 2.00%+ other administrative and/or asset fees, as applicable³. The Prime Rate shall be the prime rate published by the Wall Street Journal two weeks prior to the end of the most recent calendar-year quarter and the new rate will be effective on the first day of the new calendar quarter. The loan interest rate may be adjusted for participants entering active duty in the military services as may be required by law.

15. Annual Loan Maintenance and Asset Fees. An annual loan maintenance fee of \$50.00⁴ will be deducted from the participant's account until the loan is repaid in full or defaulted. The amount of the outstanding loan balance will be subject to the maximum asset fee, administrative charge or such other fees NRS is entitled to receive under its separate agreement with the Sponsor.

16. Loan Default Fee. At the time a loan is treated as a deemed distribution, a \$50.00⁵ fee will be deducted from the participant's account and will apply annually thereafter, while the defaulted loan remains unpaid.

17. Loans for the Purchase of a Principal Residence. All loans issued by the Plan will be general loans to be repaid in no more than five (5) years unless the Sponsor affirmatively elects to offer loans for the purchase of the participant's principal residence, which may be repaid in no more than fifteen (15) years. Such loans shall be solely secured by the participant's vested account balance as set forth in Section 10 above. All administrative procedures set forth herein shall apply to such loans.

Will the Sponsor permit loans for the purchase of the Participant's principal residence? Indicate below:

Yes No

³ See footnote 1.

⁴ See footnote 1.

⁵ See footnote 1.

18. Loan Correction. In the event an error occurs in the administration of the loan, at the Sponsor's direction, NRS may undertake correction of the error in accordance with methods prescribed by the IRS or through any IRS correction program. The undersigned Sponsor hereby adopts these Participant Loan Administrative Procedures effective for loans issued on or after the effective date set forth below, and instructs NRS to administer loans made to Plan participants in accordance with these terms.

19. Acceptance of Procedures. The Sponsor acknowledges the following: (i) that the Sponsor has decided to offer loans under the Plan and is instructing NRS to administer loans under the Plan; (ii) that it understands that, as a result of offering loans under the Plan, the Plan participants could be subject to adverse tax consequences upon default of the loan; (iii) that the Sponsor has independently weighed these risks, and despite the risks has determined that offering loans under the Plan is in the best interest of Plan participants; and (iv) NRS shall not be liable for any adverse tax consequences described in (ii), except as specifically stated under paragraph 11 herein, resulting from the Sponsor's decision to offer loans under the Plan.

Plan Sponsor Name ("Sponsor"): _____

Street Address: _____

City, State, Zip Code _____

Plan Name ("Plan"): _____

Plan Number: _____

Plan Sponsor Signature: _____

Title: _____

Date of Signature: _____

Email Address: _____

For new plan setup, an executed copy of these Procedures should be returned to Nationwide Retirement Solutions at 10 W. Nationwide Blvd, 05-04-101A, Columbus, Ohio 43215 (Attn: Plan Administrator)

For existing plans, an executed copy of these Procedures should be returned to Nationwide Retirement Solutions at PO Box 182797, Columbus, Ohio 43218 (Attn: Loans Administrator)

AN ORDINANCE AMENDING AND RE-ENACTING
THE CITY OF PARKERSBURG
PERSONNEL POLICY AND PROCEDURE MANUAL



BE IT ORDAINED BY THE COUNCIL OF THE CITY OF PARKERSBURG that effective upon passage of this ordinance that the Compensation Plan contained in Section VII of the City of Parkersburg Personnel Policy and Procedure Manual be, and hereby is, amended and re-enacted to reflect the following re-classification:

Public Safety Tele-Communicator (TAC)

Grade
H-8

(previously a grade H-6)

Sponsored by Councilpersons: Brown, Carpenter, Coram, Kelly, Lynch, Reed, Reynolds, Rockhold and Wilcox.

CURRENT

F. RETIREMENT PLANS

The City of Parkersburg participates in the West Virginia Consolidated Public Retirement Board (Public Employees Retirement System). Four and one-half (4-1/2) percent of gross earnings is deducted from all full-time employees each pay period. For each employee the City contributes eleven (11) percent of the employees' gross earnings. Percentages are subject to change pursuant to West Virginia Code.

Fire Civil Service and Police Civil Service employees participate in the Firemen's and Policemen's Pension Funds. Seven (7%) percent of gross earnings is deducted from all fire and police civil service employees each pay period. The City contributes funds based upon the actuarial study. Percentages are subject to change pursuant to West Virginia State Code.

PROPOSED

F. RETIREMENT PLANS

The City of Parkersburg participates in the West Virginia Consolidated Public Retirement Board (Public Employees Retirement System). Four and one-half percent (4.5%) of gross earnings is deducted from all full-time employees gross earnings each pay period. For each employee the City contributes a percentage of the employee's gross earnings that is subject to change pursuant to West Virginia Code. As of July 1, 2014, the current contribution rate for the City is fourteen (14%) percent.

Fire Civil Service and Police Civil Service employees participate in the Firemen's and Policemen's Pension Funds. For fire & police Civil Service employees hired prior to 1/1/2010, seven percent (7%) of gross earnings is deducted each pay period. For fire and police Civil Service employees hired on or after 1/1/2010, nine and one-half percent (9.5%) of gross earnings is deducted each pay period. The City contributes funds based upon the actuarial study. Percentages are subject to change pursuant to West Virginia State Code.

CHANGES OUTLINED

The City of Parkersburg participates in the West Virginia Consolidated Public Retirement Board (Public Employees Retirement System). Four and one-half (4-1/2) percent (4.5%) of gross earnings is deducted from all full-time employees gross earnings each pay period. For each employee the City contributes ~~eleven (11) percent~~ a percentage of the employees' gross earnings that is subject to change. ~~Percentages are subject to change~~ pursuant to West Virginia Code. As of July 1, 2014, the current contribution rate for the City is fourteen (14%) percent.

Fire Civil Service and Police Civil Service employees participate in the Firemen's and Policemen's Pension Funds. For fire & police Civil Service employees hired prior to 1/1/2010, ~~seven (7%) percent of gross earnings is deducted from all fire and police civil service employees each pay period.~~ For fire and police Civil Service employees hired on or after 1/1/2010, nine-and-a-half (9.5%) percent of gross earnings is deducted each pay period. The City contributes funds based upon the actuarial study. Percentages are subject to change pursuant to West Virginia State Code.