

**MINUTES OF THE
WV CONSOLIDATED PUBLIC RETIREMENT BOARD
BOARD OF TRUSTEES MEETING
MEETING OF OCTOBER 4, 2023**

A meeting of the West Virginia Consolidated Public Retirement Board (“CPRB”), Board of Trustees, was held on Wednesday, October 4, 2023 in the Coopers Rock Conference Room at 601 57th Street SE, Charleston, West Virginia, 25304. *Due notice had been posted.*

Call to Order

The meeting was called to order at 10:12 a.m.

Roll Call:

Trustees participating:

Joseph G. Bunn, Chairman

Mike McKown, Vice Chairman

Anoop Bhasin, *representing Governor James C. Justice, II*

Michelle Storage, Esquire, *representing State Treasurer Riley Moore*

Mark D. Scott, Cabinet Secretary, Department of Administration

Jeff Waybright, *representing State Auditor John B. McCuskey*

Rhonda Bolyard

Bill Barker

Beth Morgan

Michael Corsaro

Brad Mankins

Jeffrey Vallet (*Joined at 10:17 am*)

Trustees absent:

Woodrow Brogan

Daniel Cart

Larry Cole

D. Todd Murray

Dominique Ranieri

A quorum was present.

Others present:

Jeffrey E. Fleck, CPRB Executive Director
Terasa Miller, CPRB Deputy Director
Kim Pauley, CPRB Executive Assistant
Jeaneen Legato, CPRB General Counsel
Ken Woodson, CPRB, Actuary
John Beane, CPRB, IT Manager
Patricia Bowgren, CPRB, IT Staff
Elizabeth Cooper, CPRB, Chief Financial Officer
Cindy Adkins, CPRB, Office Manager
Craig Slaughter, IMB
Tina Baker, CPRB Internal Auditor
Alysia Miller, CPRB, Paralegal
Ronda Harvey, Esquire, Bowles Rice
Lealan Miller, Eide Bailly
Chris Meadows, Empower
Sarah Ghiz- Korwan, CPRB Hearing Officer
Brittney James, CPRB
Adam Blankenship, CPRB
Tammy White, CPRB
Lisa Trump, CPRB
Rebekah Hudnall, CPRB

Tab 1: Approval of the August 16, 2023 Minutes

Chairman Bunn stated that he would entertain a motion to approve the minutes of the August 16, 2023 meeting of the CPRB Board of Trustees.

Mr. Waybright made a motion that the Board approve the minutes of the August 16, 2023 meeting of the Board. The motion was seconded by Mr. Scott. The motion was adopted.

The minutes were located behind Tab #1 of the Board materials.

Tab 2: Report of the Executive Director

Chairman Bunn recognized Mr. Jeffrey Fleck, Executive Director, to give his report to the Board which included the following information:

1. ***Employee Recognition*** – Mr. Fleck stated that when customers feel it is important enough to reach out to us and share that they have had a great experience dealing with CPRB, we like to share it with the Board and recognize our employees. He recognized Brittney James and Leslie Young as Retirement Advisors and Director Fleck added that both ladies do a fantastic job and that he appreciates their hard work and thanked both ladies for their efforts. Director Fleck welcomed four new employees Adam Blankenship, Rebekah Hudnall, Tiffany Rucker, Ashley Sparks to the CPRB family. Director Fleck recognized Tim Phillips and congratulated him on his retirement and stated that he has over thirty-one years of service with the state of West Virginia and thanked him for his service and all his efforts.

Director Fleck mentioned that the Government Finance Officers Association recognized Consolidated Public Retirement Board for excellence in financial reporting for the eleventh year. He then thanked Chief Financial Officer Elizabeth Cooper and her team for all their efforts.

2. ***Contract Renewals***- Mr. Fleck noted that Bowles Rice general counsels' contract was due for its one -year renewal and there are no changes. Director Fleck stated that it will need Board Action.

Chairman Bunn stated that he would entertain a motion to approve the renewal of the one-year contract with Bowles Rice

Mr. Waybright made a motion that the Board approve the one-year contract renewal with Bowles Rice. The motion was seconded by Mr. Vallet. The motion was adopted.

Mr. Fleck noted that the Empower contract was due for its one -year renewal and there are no changes. Director Fleck stated that it will need Board Action.

Chairman Bunn stated that he would entertain a motion to approve the renewal of the one-year contract with Empower.

Mr. Scott made a motion that the Board approve the one-year contract renewal with Empower. The motion was seconded by Mr. Waybright. The motion was adopted.

Mr. Fleck noted that Mahantech current contract was due for its two-year renewal with one developer and there are no changes. Director Fleck stated that it will need Board Action.

Chairman Bunn stated that he would entertain a motion to approve the renewal of the current two- year contract with Mahantech .

Mr. Vallet made a motion that the Board approve the one-year contract renewal with the motion was seconded by Mr. Barker. The motion was adopted.

Mr. Fleck noted that CPRB has a new contract with Mahantech for two -years with two developers. Director Fleck stated that it will need Board Action.

Chairman Bunn stated that he would entertain a motion to approve the new two- year contract for two developers with Mahantech.

Mr. Corsaro made a motion that the Board approve the two-year contract for two developers. The motion was seconded by Mr. Waybright. The motion was adopted.

3. ***CPRB Metric Chart*** - Mr. Fleck reviewed the Metric Chart. He stated that the average time to receive the first retirement payment for PERS was 36 days this year and he noted that it was a little slower than last year's 35 days. He said TRS was 42 days this year and 39 days last year. He added that this year, the August retirements completed with PERS were 1240 He added there were lower numbers in TRS with 1076 retirements. He praised staff for working so diligently to get these retirements processed so quickly and mentioned that it is one of our missions to get these retirements processed in a timely manner. Director Fleck noted that he is seeing an increase in refunds since Tier II was implemented in 2015 and mentioned the change that took place requiring ten years for vesting instead of five years. Director Fleck noted that he is seeing a trend in people waiting or postponing retirement and working longer all over the country. He added that statistics for benefits estimates, as well as death and refund applications were included in the Metric Chart.
4. ***TDC Statistics*** – He reported that the TDC Plan had 3,634 participants, and its assets were \$657,997,853 as of August 31, 2023.
5. ***Delinquent Employers*** – Director Fleck said that Green Acres Regional Center continues to reimburse according to its agreement. He added that CPRB staff had been in contact with the Town of Clay regarding their delinquent contributions for the months of July and August and stated that we have been in contact with the payroll coordinator to offer support if needed, with the submission of the monthly reports. CPRB expects a payment this month.

6. **September Financials** – Mr. Fleck stated that the September financials were included in the Board materials. He added that the financial report for September showed that the agency was at 79 percent of its YTD Actual budget.
7. **Senate Bill 237**-Allows for any retiree that is over the age 70 years and had 20 years of service and their benefit was under \$1000.00 they would get a one-time only check for \$1500.00. Over 5,000 payments went out to the retirees. Director Fleck mentioned the other part of the Bill included if you were over the age of 70 and had 25 years of service and getting less than 1,000.00 a month to be bumped up to 1000.00 a month permanently. He stated that we have received several thank you letters and cards of appreciation.
8. **Records retention/Destruction update** – Mr. Fleck was pleased to report that over 7,131 boxes were destroyed and by the end of the year all boxes will be out of Iron Mountain.
9. **Legislative Update**- Mr. Fleck stated that the legislature has been very active at looking into the 911 operators/dispatchers being moved from PERS to EMSRS and expects a bill coming this legislative session.
10. **Outreach report**- Director Fleck stated that Lindsey Atkins was at Stonewall Jackson doing a seminar for the Association of School Business Officials with 50 of their employees in attendance. He mentioned she will be doing another outreach for (TRS) for Raleigh County Service Personnel on October 9, 2023 with an estimated 100 employees. He noted that she has four more scheduled for the month of October for the (PERS) retirement system. Director Fleck noted that Ms. Atkins is staying very busy and how important the Outreach program is. He then offered to answer any questions.
11. **Relocation Committee**- Director Fleck mentioned now that we are completely moved in and relocated that the Relocation Committee can now be dissolved to the Board of Trustees. Chairman Bunn added that he would dissolve the Relocation Committee.

The Report of the Executive Director was located behind Tab #2 of the Board Materials.

Tab #3: Plans Investment Data- WVIMB Report- Craig Slaughter

Chairman Bunn recognized Craig Slaughter, Investment Officer of the West Virginia Investment Management Board (WVIMB), who gave a review of the Plan Investments for the period ending July 31, 2023. Mr. Slaughter commented that on a positive note we had an improvement in returns at 8.6. He added that 2023 was a positive fiscal year. Mr. Slaughter noted that the 2024 fiscal year is headed in a different direction, unfortunately the first quarter being down in negative territory with August down 1.2 percent.

He explained that Unions have been striking and asking for more wages. He also noted that expectations should be low in 2024 and that we could see a recession.

He then offered to answer questions from the Board members.

Empower Report- Chris Meadows

Chairman Bunn recognized Chris Meadows of Empower Retirement who gave an update on the TDC Outreach update. Mr. Meadows stated that he had conducted 742 educational counseling sessions and 261 distribution counseling sessions since the beginning of the year for a total of 1003 sessions.

Mr. Meadows reviewed all four slides including the Secure Foundation brochure, Annual Plan Review, Plans features and highlights and the fall newsletter that covered decisions to consider when retiring, such as planning for long term retirement and Important steps to take when you retire just to name a few. He noted that the newsletter has been sent out to each of the participants.

Mr. Meadows also updated the Board on the TDC Investment Data. He reported that after a couple of solid quarters in investment markets that investors saw a decline in performance in almost all markets during the 3rd quarter of 2023. Mr. Meadows reported that the S&P declined to 3.3 percent and declining were the Russell mid cap dropping 4.7 percent as well as the Russell 2000 small cap declining 5.1 percent. However, Mr. Meadows did report that almost all major indices are up in 2023 with the S&P advancing to 13 percent, mid cap up 4 percent and small cap up 2 percent.

Mr. Meadows also reported on the fund line-up and noted that the majority of the funds continue to perform well and only a few of the funds trail their peer group for the year and he will continue to monitor those funds. He offered to answer questions from the Board members.

The Plans Investment Data reports, TDC Educational Meeting reports, TDC Outreach materials and the TDC Investment Report were located behind Tab #3 of the Board materials.

Tab #4: Appeals for Consideration –Sarah Korwan

Chairman Bunn recognized Sarah Korwan, Hearing Officer, to review the appeal of Barbara Koblinsky.

Ms. Korwan stated the issue in Ms. Koblinsky's appeal is whether the applicants request for reinstatement of the compounded interest on the amount of money she owes to purchase back service into the Public Employees Retirement System to be waived. Ms. Korwan stated that the issue presented in this matter is whether the applicant who was re-employed on June 22, 2020 may receive forgiveness of the compounded interest on the amount she owes to purchase back service into the Public Employees Retirement System. Ms. Korwan noted that Ms. Koblinsky had a hearing on April 20, 2023 that she was

denied her request and advised that her request is not permitted by the West Virginia Code. Specifically, pursuant to WV Code §5-10-18.

Based on the conclusions of Law set forth herein, applicants appeal of the Boards denial of her request to draw retirement benefits, it is recommended that Ms. Koblinsky's appeal be denied.

Chairman Bunn stated that he would entertain a motion to accept and approve the recommendation of Hearing Officer Sarah Korwan that the appeal of Barbara Koblinsky be denied.

Mr. Corsaro made a motion to accept the recommendation of Hearing Officer Korwan to deny the appeal of Barbara Koblinsky. Mr. Waybright seconded the motion. The motion was adopted.

The Appeal for Consideration was located behind Tab #4 of the Board materials.

Tab 5: Legal Counsel Reports

Report of In-House Legal Counsel – Jeaneen Legato

Chairman Bunn recognized Jeaneen Legato, In-House Legal Counsel, to give her report to the Board.

Ms. Legato updated the Board on all pending legal matters. She reported that there are four administrative appeals pending. Ms. Legato noted that there are two current Intermediate court cases pending. Ms. Legato stated that there is only one Circuit court case, Deloris McCormick, and noted that this is a Trooper Plan A appeal involving the survivorship benefit for partial duty disability annuitant. She explained that this case has been pending since January 2020 and that there have been several attempts by opposing counsel with inquiries to the court with no response from the court. Ms. Legato stated that there are two potential Less Than Honorable Service cases. She explained that Dawn Hysell is a PERS member and former Town Recorder and Police Clerk for the Municipality of New Haven, West Virginia. On July 18, 2023 she entered a guilty plea in Mason County Circuit Court to one felony count of embezzlement that involved the use of her position of public employment and agreed to pay \$27,500 in restitution.

On September 14, 2023, Judge Ashley entered an order accepting plea agreement and sentencing. Judge Ashley adjudged the defendant guilty and rejected the recommended sentence of probation. Judge Ashley sentenced Ms. Hysell to 1-10 years in prison and ordered her to pay restitution in the amount of \$27,500 to the town of New Haven.

Ms. Legato added that pursuant to W.Va. Code §5-10A-1 et al, it was her recommendation that the Board disqualify and terminate Dawn Hysell's pension and membership in the PERS and to authorize her to proceed with *Less Than Honorable Service* action against him.

Chairman Bunn stated that he would entertain a motion to authorize the Board In-House Counsel, Jeaneen Legato, to proceed with termination of Ms. Hysell's pension and membership in the PERS for Less Than Honorable Service.

Mr. Vallet made a motion that the Board accept the recommendation of Counsel to disqualify and terminate the PERS membership of Dawn Hysell and authorize legal counsel to proceed with LTHS action. Mr. Waybright seconded the motion. The motion was adopted.

Ms. Legato reported on her second Potential Less than Honorable Service case, Adam Tumlin is also a PERS member and former correctional officer at Parkersburg Correctional Center where he was paid cash via cash app to bring drugs into lock up on at least two occasions. On June 23, 2023 Mr. Tumlin entered a guilty plea in Wood County Circuit Court. To the felony offense of Transporting a controlled substance onto the grounds of a jail. On August 17, 2023 the court suspended his 2–10-year sentence and ordered him to serve home incarceration.

Ms. Legato added that pursuant to W.Va. Code §5-10A-1 et al, it was her recommendation that the Board disqualify and terminate Mr. Tumlin pension and membership in the PERS and to authorize her to proceed with *Less Than Honorable Service* action against him.

Chairman Bunn stated that he would entertain a motion to authorize the Board In-House Counsel, Jeaneen Legato, to proceed with termination of Mr. Tumlin's pension and membership in the PERS for Less Than Honorable Service.

Mr. Mankins made a motion that the Board accept the recommendation of Counsel to disqualify and terminate the PERS membership of Jerry D. Elkins and authorize legal counsel to proceed with LTHS action. Mr. Corsaro seconded the motion. The motion was adopted.

Ms. Legato then offered to answer questions from the Board members.

Report from Outside Legal Counsel – Ronda Harvey

Chairman Bunn recognized Ronda Harvey, Outside Legal Counsel, to give her report to the Board.

Ms. Harvey stated that there is only one case pending in Kanawha County before the Circuit Court Judge Jennifer Bailey and that case is the DNR / Robert Clark case regarding subsistence allowance. Ms.

Harvey stated that she is still communicating with legal counsel Lonnie Simmons and that she has filed a motion for a final ruling with the courts. Ms. Harvey offered to answer questions from Board members.

The reports of the In-House and Outside Legal Counsel were located behind Tab #5 of the Board materials.

Tab #6: Committee Reports

Accounting & Audit Committee- Jeff Waybright

Chairman Bunn recognized Mr. Waybright to give his report on the Accounting & Audit Committee. He stated that the Committee met on Tuesday, October 3, 2023 and that we will need full Board approval on Eide Bailly's Annual Financial Audit and the TDC spend down. Mr. Waybright introduced the audit partner, Lealan Miller of Eide Bailly to discuss the audit results.

Mr. Miller stated that CPRB undergoes an annual audit and that it went very well, as expected. He reminded the Board of the October 15, 2023, deadline to submit financial statements to the Division of Finance. He praised Ms. Cooper and her team for their efforts and requested that the Board approve the issuance of the audited financial statements with the understanding that minor typographical changes may be needed.

Mr. Miller reported to the Board that it had been a successful audit, and he anticipates that it will be a clean unmodified opinion attached to the financial statements. Mr. Miller stated there are no concerns moving forward.

Chairman Bunn stated that he would entertain a motion to approve the June 30, 2023 CPRB financial audit in their current form with the caveat that management is empowered to make typographical modifications necessary to finalize the report.

Mr. McKown made a motion that the Board adopt the June 30, 2023 CPRB financial audit.

Mr. Mankins seconded the motion. The motion was adopted.

Mr. Waybright explained to Chairman Bunn that Board action was needed on the proposal options for the spend down for revenue sharing TDC Administrative account. Deputy Director Miller explained option A and she explained the process and how this option would affect the participants. Deputy Director Miller added that there is 1.3 million dollars in the TDC Revenue Sharing account, and she stated that we need to do something to get these funds back to the participants. Ms. Miller mentioned that after a lengthy discussion during the Accounting & Audit meeting, the Committee members decided to begin using option A (Managed Accounts Fee Holiday).

Mr. Vallet made a motion to accept and approve the recommendation for the TDC Spend-down using option A (Managed Accounts Fee Holiday).

Mr. Scott seconded the motion to accept and approve the recommendations for the TDC spenddown. The motion was adopted.

The Audit results and the proposal options for TDC spenddown are located behind Tab #6 of the Board materials.

Disability Review Committee – Michael Corsaro

Chairman Bunn recognized Mr. Corsaro to give the report of the Disability Review Committee.

Mr. Corsaro reported that the Committee met on Tuesday, October 3, 2023 via telephone conference call and had approved the staff's recommendations of disability retirement applications and made the following recommendations to the Board for their approval:

System	Approved Total Duty	Denied Total Non-Duty	Total
PERS	6	1	7
TRS	4	0	4
TOTALS	10	1	11

Chairman Bunn stated that he would entertain a motion to accept the recommendation of the Disability Review Committee.

Mr. Waybright made a motion that the Board accept and approve the Disability Review Committee's recommendation concerning the disability retirement applications. The motion was seconded by Mr. Barker. The motion to accept and approve the recommendation was adopted.

Tab #8 Old Business

Chairman Bunn inquired as to any old business to come before the Board. None was heard.

Tab #9: New Business

Chairman Bunn inquired as to any new business to come before the Board.

Director Fleck informed the Board members that we will be having our Board meetings in the Canaan Valley conference room in the future. He also reminded them of Fiduciary training before the next Board meeting.

Adjournment

There being no further business to come before the board the meeting adjourned at 11:28 a.m.



Joseph G. Bunn, Chairman

Consolidated Public Retirement Board



Jeffrey E. Fleck, Executive Director

Consolidated Public Retirement Board