

**MINUTES OF THE
WV CONSOLIDATED PUBLIC RETIREMENT BOARD
BOARD OF TRUSTEES MEETING
MEETING OF OCTOBER 6, 2021**

A meeting of the West Virginia Consolidated Public Retirement Board, Board of Trustees (“CPRB”), Board of Trustees, was held on Wednesday, October 6, 2021, in the David L. Wyant Conference Room at 4101 MacCorkle Avenue, Charleston, West Virginia, 25302. *Due notice had been posted.*

Call to Order

The meeting was called to order at 11:10 a.m. by Joseph G. Bunn, Chair.

Roll Call:

Trustees participating:

Joseph G. Bunn, Chair

Garner Marks, *representing Governor James C. Justice, II*

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

Lindsay Marchio, Esquire, *representing State Treasurer Riley Moore*

Acting Cabinet Secretary Mary Jane Pickens

Bill Barker

Andy Bird

Rhonda Bolyard

Daniel Cart

Larry Cole

Mike McKown

Todd Murray

David Nelson

Reginald Patterson *via Google Meets*

Jeffrey Vallet

Trustees absent:

None

A quorum was present.

Others present:

Jeffrey E. Fleck, CPRB Executive Director

Terasa Miller, CPRB Deputy Director

Nancy Butcher, CPRB Executive Assistant

Jeaneen Legato, CPRB General Counsel
Ken Woodson, CPRB Actuary
Haley Perry, CPRB Actuarial Analyst
Patricia Bowgren, CPRB IT Staff
Alysia Miller, CPRB Paralegal
John Galloway, CPRB Chief Financial Officer
Tina Baker, CPRB Internal Auditor
Tim Abraham, CPRB Compliance Officer
Craig Slaughter, Executive Director, WVIMB
Chris Meadows, Empower
Ronda Harvey, Esquire, Bowles Rice
Tom Heywood, Esquire, Bowles Rice
Leland Miller, Eide Bailly
Phil Kabler, Charleston Gazette
Tina Eddy, CPRB Administration
Jennifer Scarbro, CPRB Receptionist
Pam Russell, CPRB Communications Officer
Chris Bush, CPRB Imaging
Kevin Kerns, CPRB Retirement Advisor
Kim McCormick, CPRB Death/Refunds Staff
Ethan Strickland, CPRB Mailroom Staff
Samantha Chance, CPRB Imaging
Melody Scott, CPRB Imaging
Jessica Cain, CPRB Membership
Lori Sayre, CPRB Membership
Brianna Means, CPRB Administration
Nora Shanklin, CPRB Membership
Sara Poe, CPRB Membership
Steve Wolfe, CPRB Deaths/Refunds
Paige Strickland, CPRB Deaths/Refunds
Alyssa Cooper, CPRB Retirement
Rachelle Davis, CPRB Retirement
John Hickman, CPRB Membership

Tab 1: Approval of the September 1, 2021 Minutes

Mr. Vallet made a motion that the Board approve the minutes of the September 1, 2021 meeting of the Board. The motion was seconded by Mr. Waybright. The motion was adopted.

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

Tab 2: Report of the Executive Director

Mr. Jeffrey Fleck, Executive Director, introduced and welcomed new members of the Board. He announced that Governor Justice had appointed Larry Cole to represent the Emergency Medical Services Retirement System, replacing Joe Lynch who retired earlier this year and Daniel Cart, a City of Charleston Police Officer to represent the Municipal Police & Fire Fighters Retirement System, replacing Michael Haney, a Fire Fighter. He also introduced and welcomed A. Garner Marks who replaces Ann Urling as the Governor's representative on the Board, Mary Jane Pickens, Acting Cabinet Secretary of Administration, who replaces Allen McVey who had assumed the role of Insurance Commissioner and Lindsay Marchio who was representing State Treasurer Riley Moore in the absence of Sarah Canterbury. Mr. Fleck then gave his report to the Board which included the following information:

1. *Introduction and Recognition of CPRB Staff* – Mr. Fleck introduced Haley Perry, the new Actuarial Analyst Trainee. He said that Haley had been a retirement advisor for the Uniformed Services retirement plans. Mr. Fleck also recognized Melissa Williams, a retirement advisor for the Teachers Retirement System. Ms. Williams' manager had received an email from a member praising Missy for all the assistance she had given to the retiree.
2. *Condolences* – Mr. Fleck extended condolences to the family of CPRB staff member, Malechra Pannell. He stated that Ms. Pannell was a staff member of the Employer Reporting section and had passed away on September 29th from COVID.
3. *CPRB Metric Chart* - Mr. Fleck said that the retirement section had processed 165 retirement applications since October 1st. He added that statistics for benefits estimates as well as death and refund applications were included in the Metric Chart. He went on to say that future Metric Charts would show the number of days it takes to receive a benefit estimate once the request is received.
4. *TDC Statistics* - He reported that the TDC Plan had 3,881 participants, down 15 from the previous report, and its assets were \$710,962,349, an increase of \$9,570,067 since the previous report.
5. *Delinquent Employers* – Director Fleck commented that the report was short, with only 3 employers listed, one of which being Green Acres Rec. Center who continues to reimburse according to their agreement. He added that the City of Williamson had made their contribution so there was only one employer remaining on the report.
6. *Bowles Rice Contract Renewal* – Mr. Fleck explained that the Outside Legal Services contract with Bowles Rice LLP would expire on January 1, 2022. He explained the process of getting contracts approved through the State and added that the Board needed to take action at this meeting with this contract to meet the January 1, 2022 date.

Mr. Waybright made a motion to renew the contract with Bowles Rice, LLP. Mr. Murray seconded the motion. The motion was adopted.

7. *August Financials* – Mr. Fleck stated that the August financials showed that the agency was at 69.95 percent of its YTD Actual budget.

8. *Legislative Update* – Mr. Fleck gave an update on discussions with the Legislature regarding possible changes to some of the retirement plans. He said that the agency had been requested to attend some legislative interim committee meetings in preparation for the upcoming 2022 Legislative Session.
9. *Succession Planning* – Mr. Fleck explained to the Board that within the next 5 years, 10 percent of CPRB staff is eligible to retire and that the agency was putting together a succession plan in anticipation of those retirements.
10. *Quotes, Notes & Anecdotes* – Mr. Fleck stated that copies of the Department of Administration’s *Quotes, Notes & Anecdotes* newsletter was included in the Board materials. He said that the newsletter included two articles about the CPRB. One article was about the agency receiving an award for Excellence in Financial Reporting and the other was about what someone could expect when they retire.

Report of the Chairman

Chairman Bunn also extended condolences to the Pannell family. He then welcomed the new members of the Board and extended thanks to Michael Haney who had served as the representative for the Municipal Police and Firefighters Retirement System since 2016. He then announced new committee appointments as follows:

Actuarial Assumptions Committee

A. Garner Marks replaces Ann Urling

Disability Review Committee

Larry Cole replaces Michael Haney

Executive Director & Actuary Review Committee

Mary Jane Pickens, Acting Cabinet Secretary replaces Allan McVey

A. Garner Marks replaces Ann Urling

David Nelson replaces Michael Corsaro

Investment Committee

Mary Jane Pickens, Acting Cabinet Secretary replaces Allan McVey

Outside Legal Services Committee

Mary Jane Pickens, Acting Cabinet Secretary replaces Allan McVey

A. Garner Marks replaces Ann Urling

WVIMB Representatives Committee

Sarah Canterbury replaces Allan McVey

Daniel Cart replaces Joe Lynch

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

Tab #3: Plans Investment Data

Chairman Bunn recognized Craig Slaughter, Executive Director of the West Virginia Investment Management Board (WVIMB). Mr. Slaughter reviewed the Plan’s Investment Returns Preliminary Report

for the period ending July 31, 2021. He reported that investment returns were at 0.0 percent for the month, 5.4 percent for the quarter, 0.0 percent for the FYTD, 28.1 percent for the year and 8.2 percent for the 20-year average

Chris Meadows of Empower Retirement gave an update on the TDC Outreach and Reality Investing. Mr. Meadows stated that he had conducted 689 counseling sessions and there had been 324 distributions for a total of 1010 counselling and distribution sessions for the year.

Mr. Meadows reported that a TDC investments mailer had been sent to each of the TDC participants and its aim was to raise awareness of under exposure to plan participants.

Mr. Meadows also updated the Board on the TDC Investment Data. He reported that the third quarter investment returns had mirrored the second quarter returns. *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.*

Executive Session

Chairman Bunn announced he would entertain a motion to go into Executive Session to discuss legal matters.

Mr. Barker made a motion that the Board go into Executive Session to discuss legal matters as allowed by West Virginia Code §6-9A-4. The motion was seconded by Mr. Waybright. The motion was adopted.

The Board went into Executive Session at 11:50 a.m.

Chairman Bunn reconvened the Public Session of the October 6, 2021, meeting of the CPRB Board of Trustees meeting from Executive Session at 12:05 p.m. He announced the Board was in Executive Session to discuss legal matters as allowed by West Virginia Code § 6-9A-4 and that no decisions were made during Executive Session.

Tab #4: Legal Counsel Reports

Report of In-House Legal Counsel – Jeaneen Legato

Jeaneen Legato, In-House Legal Counsel, presented her report to the Board on all pending legal matters. She reported on all current Administrative, Circuit Court, Supreme Court and potential Less Than Honorable (LTHS) cases.

Ms. Legato reviewed the Less Than Honorable Service (LTHS) case of **Ruth Marie Phillips**, a member of the Teachers Retirement System and a former Director of Business and Finance for River Valley Child Development Services. Ms. Legato went on to say that on September 14, 2021, Judge Chambers accepted her plea of guilty and adjudged her guilty of violating 18 U.S.C. §666 (embezzlement). The Information charged that Ms. Phillips embezzled \$964,012.86 from RVCDS. She added that Ms. Phillips' sentencing was scheduled for December 13, 2021.

Ms. Legato recommended the Board disqualify and terminate Ms. Phillips' pension and her membership in TRS and proceed with LTHS action against her.

Mr. Waybright made a motion that the Board accept the recommendation of Counsel to disqualify and terminate the pension and membership in the TRS of Ruth Marie Phillips and to authorize legal counsel to proceed with LTHS action. Mr. Nelson seconded the motion. The motion was adopted.

Report from Outside Legal Counsel – Ronda Harvey

Ms. Harvey updated the Board on matters still pending in the Circuit Courts of West Virginia and other administrative matters. Ms. Harvey also gave an update on the DNR subsistence allowance case that was heard by the West Virginia Supreme Court of Appeals.

The reports of the In-House and Outside Legal Counsel were located behind Tab #4 of the Board materials.

Tab #5: Committee Reports

Accounting & Audit Committee – Jeff Waybright

Chairman Bunn recognized Jeff Waybright, to give a report from the Accounting & Audit Committee. Mr. Waybright reported that the Committee met on Tuesday, October 5, 2021. He informed the Board that Leland Miller of Eide Bailly had presented the Audit Results for the CPRB Financial Statements, June 30, 2021 and added that the Committee recommended the acceptance of the audit results. He introduced Mr. Miller who made comments regarding the audit to the Board.

Mr. Waybright made a motion that the Board accept the Audit Results for the CPRB Financial Statements, June 30, 2021 as recommended by the Accounting & Audit Committee. Mr. Vallet seconded the motion. The motion was adopted.

Mr. Waybright also stated that the Committee had heard from Terasa Miller, Deputy Director, regarding the Fiscal Year 2021 TDC Administrative Expenses. He said that the Committee recommended approval of transferring \$311,905.30 from the TDC Administrative Account to the CPRB Administrative Fund to cover the TDC Administrative Expenses.

Mr. Waybright made a motion that the Board adopt the recommendation of the Accounting & Audit Committee to approve the transfer of \$311,905.30 from the TDC Administrative Account to the CPRB administrative Fund to cover the TDC Administrative Expenses. Mr. Cole seconded the motion. The motion was adopted.

Mr. Waybright informed the Board that the Accounting and Audit Committee had heard from Tim Abraham, CPRB Compliance Officer, regarding the Workstation Use & Information Security Policy. He added that a copy of the policy was included in the Board materials and that the Committee recommended adoption of the policy. Mr. Waybright added that he wanted to thank Tim Abraham for all his hard work in putting together the policy.

Mr. Waybright made a motion that the Board accept the recommendation of the Accounting and Audit Committee to adopt the Workstation Use & Information Security Policy. Mr. Barker seconded the motion. The motion was adopted.

Disability Review Committee – Todd Murray

Mr. Bunn recognized Mr. Murray to give the report of the Disability Review Committee. Mr. Murray reported that the Disability Committee met on Tuesday, October 5, 2021 via telephone conference call and the Disability Committee approved the staff’s recommendations of disability retirement applications and made the following recommendations to the Board for their approval:

System	Approved	Denied	Total
DSRS	1 Partial Duty	0	1
PERS	1 - Total Duty 14 – Total Non-Duty	0	15
TDC	1 – Total Non-Duty	0	1
TRS	3 – Total Non-Duty	0	3
TOTALS	20	0	20

Mr. Vallet made a motion that the Board accept and approve the Disability Committee’s recommendation concerning the disability retirement applications. The motion was seconded by Mr. Cole. The motion to accept and approve the recommendation was adopted.

Tab #6: Proposed Legislation – Terasa Miller

Chairman Bunn recognized Terasa Miller, CPRB Deputy Director, to explain the CPRB proposed legislation for the upcoming 2022 Legislative Session.

Error Correction - Ms. Miller explained the legislation dealing with Error Correction would make this language consistent in all the plans and it also added language to the definitions section. She recommended that the Board approve the legislation and asked for approval for staff to make technical changes prior to submission to the Legislature. She then answered questions from the Board members.

Mr. Cole made a motion that the Board approve the 2022 Legislation dealing with the Error Correction. Mr. Waybright seconded the motion.

Mr. Vallet made a motion to amend the motion to include language in the bill that clarifies how any overpayment of benefits will be handled and to authorize staff to make technical corrections before submission to the Legislature. Mr. Cole seconded the motion. The motion was adopted.

Mr. Cole's motion to approve the 2022 Legislation dealing with the Error Correction, as amended was adopted.

PERS - Ms. Miller explained the legislation relating to the PERS dealing with the 105% benefit limit. She recommended that the Board approve the legislation and asked for approval for staff to make technical changes prior to submission to the Legislature. She then answered questions from the Board members.

Mr. Waybright made a motion to approve the 2022 Legislation relating to the PERS dealing with the 105% benefit limit and to authorize staff to make technical corrections before submission to the Legislature. Mr. Vallet seconded the motion. The motion was adopted.

SECURE Act – Ms. Miller explained that this legislation updates the date of the required minimum distribution to age seventy-two to comply with federal regulations as well as other changes necessary to comply with the SECURE Act that was passed by Congress. She recommended that the Board approve the legislation and asked for approval for staff to make technical changes prior to submission to the Legislature. She then answered questions from the Board members.

Mr. Vallet made a motion to approve the 2022 Legislation dealing with the SECURE Act and to authorize staff to make technical corrections before submission to the Legislature. Mr. Waybright seconded the motion. The motion was adopted.

Tab #7: Old Business


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

Tab #8: New Business


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

Adjournment

There being no further business to come before the board, the meeting adjourned at 12:45 p.m.



Joseph G. Bunn, Chairman
Consolidated Public Retirement Board



Jeffrey E. Fleck, Executive Director
Consolidated Public Retirement Board