

**MINUTES OF THE
WV CONSOLIDATED PUBLIC RETIREMENT BOARD
BOARD OF TRUSTEES MEETING
MEETING OF NOVEMBER 18, 2020**

A meeting of the West Virginia Consolidated Public Retirement Board (CPRB), Board of Trustees, was held on Wednesday, November 18, 2020 in the Conference Room A at 4101 MacCorkle Avenue, Charleston, West Virginia, 25302.

Call to Order

The meeting was called to order at 11:07 a.m. by David L. Wyant, Chair.

Roll Call:

Trustees participating:

David L. Wyant, Chair

Michael Corsaro, Vice-Chair

Jeff Waybright, *representing Auditor John B. McCuskey*

Diana Stout, *representing Treasurer John Perdue*

Cabinet Secretary Allan McVey

Bill Barker

Andy Bird

Joe Bunn

Joe Lynch

Mike McKown

D. Todd Murray

Jeffrey Vallet

Trustees absent:

Mike Hall, *representing Governor James C. Justice, II*

Michael Haney

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
Patricia Bowgren, CPRB IT Staff
Tanner Mann, CPRB Actuarial Analyst Trainee
John Galloway, CPRB Chief Financial Officer
Tom Sauvageot, Investment Officer, WVIMB
Gary Pullin, Esquire, CPRB Hearing Officer
Chris Meadows, Empower Retirement
Tom Heywood, Esquire, Bowles Rice
Ronda Harvey, Esquire, Bowles Rice
Bonita Knapp, CPRB, Administration
Sara Poe, CPRB, Membership
Jennifer Looney, CPRB, Employer Reporting
Bill Stratton, CPRB
Retha Taylor, CPRB
Brianna Means, CPRB
Woody Brogan, WVDNR

Tab 1: Approval of the October 7, 2020 Minutes

Mr. Vallet made a motion to approve the minutes of the October 7, 2020 meeting of the Board. The motion was seconded by Mr. Corsaro. The motion was adopted.

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

Tab 2: Reports of the Chair and Executive Director

Mr. Jeffrey Fleck, Executive Director, gave his report to the Board which included the following information:

1. *CPRB Metric Chart* - Mr. Fleck said that there were less teachers retiring this year than in years past. He also said that the number of days until a retiree receives their first check were about 32 days.
2. *TDC Statistics* - He reported that the Plan had 3,995 participants and its assets were \$599,849,224.
3. *Delinquent Employers* – Mr. Fleck stated that Green Acres continues to reimburse according to their agreement. He added that Harrison County Commission is on the list while staff at CPRB and at the Commission work on a file transfer.

4. *Alpha Technologies Contract Renewal* – Director Fleck reported that Alpha Technologies is the telephone vendor and the renewal on their contract was due. He stated that cost of the 1-year renewal was \$28,526.00 and recommended that the Board approve the renewal.

Mr. Bunn made a motion that the Board approve the renewal of the Alpha Technologies contract for one year at a cost of \$28,526.00. Mr. McVey seconded the motion. The motion was adopted.

5. *September Financials* - He stated that the agency was at 66% of its actual budget allocation.
6. *Recognition of Employees* – Mr. Fleck announced that several members of the CPRB staff had received letters and emails of praise and thanks. The members of staff he recognized were Bonita Knapp, Megan Ellars, Virginia Wright, Kevin Kerns, and the staff of the Call Center, which are Elizabeth Crowder, Leah Hoover, Samantha Harper, and Jordan Hannah.
7. *Government Finance Officers Association (GFOA) Certificate of Achievement for Excellence in Popular Annual Financial Reporting* – Mr. Fleck introduced John Galloway, CPRB CFO, who announced that the Agency had received an award from the GFOA for their Comprehensive Annual Financial Report. He added that this is the first year the agency has received this award and possibly the only agency in the state to receive it.
8. *COVID-19 Status Update* - He explained that the agency was still employing a Certified Nursing Assistant to check temperatures of people entering the building each day and that face masks are still mandatory for common areas. He stated about 50% of staff was working in the building. He said that the agency had had a drop box installed to allow people to leave documents without having to enter the building. He added that additional laptops had been purchased to allow more remote working and that the agency is working with the telephone vendor to get remote access for the Call Center staff.

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

Tab #3: Plans Investment Data

WVIMB Investment Data

Tom Sauvageot, Investment Officer of the West Virginia Investment Management Board (WVIMB), reviewed the Plan's Investment Returns Report for the period ending September 30, 2020. He commented that we are in the middle of a storm. He added that we started the first part of the fiscal year on a good note. He went on to say that we are above target on the 1-year, 5-year and 10-year returns. He said that the market was down -1.6% for the month but was at 4.6% for the quarter. He also gave an update on the China investments saying that thus far, they have shown favorable returns.

TDC Educational Meeting Update

Chris Meadows of Empower Retirement gave an update on the TDC Outreach and Reality Investing. Mr. Meadows reported that his on-site meetings and one-on-one counselling sessions had been cancelled due to the COVID-19 Pandemic, but he was conducting telephone counselling sessions. He reported that the year to date totals are 1021 counseling sessions.

TDC Investment Data

Chris Meadows of Empower Retirement gave an update on the TDC Investment Data. He reported that TDC Investments are doing well but he added that there was volatility in the markets.

TDC Newsletter

Chris Meadows of Empower Retirement reviewed the TDC Fall Newsletter that is sent to each of the TDC participants. He focused on the article that discussed “Meeting your goals starts with meeting your local retirement plan advisor.” He reviewed some of the things that he discusses with plan participants when he does his counselling sessions.

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

Tab #4: Consideration of the Current Disability Retirement Applications

Mr. Murray reported that the Disability Committee met on Tuesday, November 17, 2020 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
EMSRS	1 – Total Duty	0	1 – Total Duty
PERS	2	0	2
TDC	3	0	3
TRS	4	0	4
TOTALS	10	0	10

Mr. Corsaro made a motion the Board accept and approve the recommendation of the Disability Review Committee concerning the disability retirement applications. The motion was seconded by Mr. Lynch. The motion was adopted.

The Disability report and minutes were located behind Tab #4 of the Board materials.

Tab #5: Appeals for Consideration – Gary Pullin

Hearing Officer Pullin reviewed the appeal of **Clifton, Timothy W.**, a participant of TRS. The issue with this appeal was whether the Appellant is eligible for military service credit beyond the 0.348 years awarded to him by the Board.

Based upon the Findings of Fact and Conclusions of Law, Hearing Officer Pullin recommended that Mr. Clifton's appeal of the Board's decision denying his request for additional military service credit be denied and the Board's decision be affirmed.

Mr. Bunn made a motion the Board adopt the recommendation of the Hearing Officer and deny the appeal of Timothy W. Clifton. Mr. Vallet seconded the motion. The motion was adopted.

Hearing Officer Pullin reviewed the appeal of **Hanson, Dennis R.**, a participant of PERS. The issue with this appeal was whether the Appellant is eligible to purchase retroactive service credit from PERS.

Based upon the Findings of Fact and Conclusions of Law, Hearing Officer Pullin recommended that Mr. Hanson's appeal of the Board's decision denying his request to purchase retroactive service credit be denied and the Board's decision be affirmed.

Mr. Corsaro made a motion the Board adopt the recommendation of the Hearing Officer and deny the appeal of Dennis R. Hanson. Mr. Bird seconded the motion. The motion was adopted.

The report of the Hearing Officer was located behind Tab #5 of the Board materials.

Tab #6: 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 updated the Board on cases pending before the West Virginia Supreme Court of Appeals as well as Circuit Court cases. She also reported that former Justice Loughry's Less Than Honorable case has been scheduled for December 14, 2020 before Judge King.

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. She added that because of COVID-19, hearings in the courts have been slowed. She reported that the Administrative Appeal of Deborah Birthisel was held on October 27, 2020.

The reports of the In-House and Outside Legal Counsel were located behind Tab #6 of the Board materials.

Tab #7: Committee Reports

Accounting & Investment Committee

Mr. Wyant recognized Mr. Bunn to give a report from the Accounting & Investment Committee. He reported that the Accounting & Investment Committee had met on Tuesday, November 17, 2020 and the Committee was recommending that the Board approve the transfer of \$335,016.83 from the TDC Reserve Sharing Account to the CPRB Administrative Expense Fund.

Mr. Lynch made a motion that the Board approve the transfer of \$335,016.83 from the TDC Reserve Sharing Account to the CPRB Administrative Expense Fund. Mr. McKown seconded the motion. The motion was adopted.

Mr. Wyant said he would entertain a motion to go into Executive Session as allowed by West Virginia Code §6-9A-4.

Mr. Bunn made a motion to go into Executive Session as allowed by West Virginia Code §6-9A-4 to discuss a personnel matter. Mr. Vallet seconded the motion. The motion was adopted.

The Board went into Executive Session at 12:10 p.m. as allowed by West Virginia Code §6-9A-4 to discuss a personnel matter.

Mr. Wyant reconvened the Board meeting from Executive Session at 12:20 p.m. He announced that no decisions were made during Executive Session.

Executive Director and Actuary Review Committee

Mr. Wyant reported that the Executive Director and Actuary Review Committee had met on Tuesday, November 17, 2020 via telephone conference call to discuss the salary of the Executive Director. He went on to say that the Committee was recommending to the Board the increase of the Executive Director's salary to \$120,000. per year to begin as soon as practicable.

Mr. Barker made a motion to approve the recommendation of the Executive Director and Actuary Review Committee to increase the salary of the Executive Director to \$120,000. per year. The motion was seconded by Mr. Bunn. The motion was adopted. (Mr. McVey noted that the salary increase would have to be approved by the Governor.)

The minutes, reports and presentations of the Committees were located behind Tab 7 of the Board materials.

Tab #8: DSRS Employer Contribution Rate Study – Kenneth Woodson

Mr. Woodson gave a report of the Deputy Sheriff Retirement System Employer Contribution Rate. He reported that the DSRS Employer Contribution Rate, as a percent of payroll, was becoming volatile. He said that based on the estimated July 1, 2020 funding valuations, the recommended

FY 2022 DSRS ER contribution rate is around 14.3% of payroll and that state code limits the DSRS ER contribution rate to 13.0% of payroll. He added that to study the DSRS ER Contribution Rate, Unfunded Actuarial Accrued Liability (UAAL), and the Funded Percent, a deterministic 12-year projection of DSRS assets and liabilities was performed. He went on to say that the DSRS assets were projected forward using three asset return scenarios and three UAAL amortization scenarios. He explained each of those scenarios.

Mr. Woodson recommended that the Board approve a four-year 25% level smoothing of actuarial gain or (loss) on trust fund returns for DSRS.

Mr. Vallet made a motion to approve a four-year 25% level smoothing of actuarial gain or (loss) on trust fund returns for DSRS. Mr. Barker seconded the motion. The motion was adopted.

Mr. Woodson recommended that the Board approve an extension of the DSRS UAAL amortization period from June 30, 2029 to June 30, 2034, where UAAL is determined based on the four-year Actuarial Value of Assets smoothing method previously explained.

Mr. Vallet made a motion to table the recommendation until after January 1, 2021. Mr. McKown seconded the motion. The motion was adopted.

Tab #9: WV Natural Police Officer Retirement System (NRPORS) Actuarial Factors for Plan Administration for Calendar Year 2021

Mr. Wyant recognized Ken Woodson, CPRB Board Actuary, to discuss the actuarial factors for the Plan Administration of NRPORS for Calendar Year 2021. Mr. Woodson stated that the actuarial assumptions for the daily administration of the plans impact individual benefit calculations upon member retirement. He added that they define the actuarial factors that are required to determine the adjustment to the regular retirement benefit due to the early retirement of a member, or for optional payment forms that are available (for example, different Joint and Survivor options.) He went on to say that NRPORS does not contain early retirement provisions, therefore, early retirement reduction factors do not apply, and he explained the optional forms of payment. He also stated that actuarial assumptions are applied to determine optional benefit form amounts.

Mr. Woodson explained that some of the Considerations for Calendar Year 2021 included no changes in state or federal law that would impact the selection of the initial Actuarial Equivalence assumptions for NRPORS and many of the plan provisions for NRPORS were modeled after the Deputy Sheriffs Retirement System. He went on to say that as part of the 2021 Uniformed Services Experience Study, the NRPORS Actuarial Equivalence assumptions will be further reviewed to determine if changes are required for Calendar Year 2022. He added that adoption of the actuarial

basis for Actuarial Equivalence will allow IT staff to commence programming based on IT staff scheduling as appropriate.

Mr. Woodson recommended that the Board set the initial Actuarial Equivalence assumptions for the Natural Resources Police Officer Retirement System equal to the current Actuarial Equivalence assumptions defined for the DSRS.

Mr. Vallet made a motion to set the initial Actuarial Equivalence assumptions for NRPORS equal to the current Actuarial Equivalence assumptions defined for the DSRS. Mr. Lynch seconded the motion. The motion was adopted.

Tab #10: Old Business

Mr. Wyant inquired as to any new business to come before the Board.

Tab #11: New Business

Mr. Wyant announced that he would be resigning as Chair and as a member of the West Virginia Consolidated Public Retirement Board effective December 31, 2020. He stated that a new Chair would be elected at the December 16, 2020 Board meeting and any Board member who was interested in the position should contact him or Director Fleck.

Adjournment

There being no further business to come before the board, the meeting adjourned at 1:30 p.m.



David Wyant, Chair
Consolidated Public Retirement Board



Jeffrey E. Fleck, Executive Director
Consolidated Public Retirement Board