

**MINUTES OF THE
WV CONSOLIDATED PUBLIC RETIREMENT BOARD
BOARD OF TRUSTEES MEETING
MEETING OF MARCH 15, 2023**

A meeting of the West Virginia Consolidated Public Retirement Board (“CPRB”), Board of Trustees, was held on Wednesday, March 15, 2023 in the David L. Wyant Conference Room at 4101 MacCorkle Avenue, Charleston, West Virginia, 25304. *Due notice has been posted.*

Call to Order

The meeting was called to order at 10:00 a.m. by Mike McKown, Vice-Chairman.

Roll Call:

Trustees participating:

Mike McKown, Vice Chairman

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

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

Mark D. Scott, Cabinet Secretary, Department of Administration

Beth Morgan

Reginald Patterson

Jeffrey Vallet

Rhonda Bolyard

Trustees absent:

Joseph G. Bunn, Chair

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

Woodrow Brogan

Larry Cole

D. Todd Murray

David Nelson

Bill Barker

Daniel Cart

Dominique Ranieri

A quorum was present.

Others present:

Jeffrey E. Fleck, CPRB Executive Director

Terasa Miller, CPRB Deputy Director

Kim Pauley, CPRB Executive Assistant

Jeanen Legato, CPRB General Counsel

Ken Woodson, CPRB Actuary

Patricia Bowgren, CPRB IT Staff

Elizabeth Cooper, CPRB Chief Financial Officer

Tina Baker, CPRB Internal Auditor

John Beane, CPRB IT Manager

Alysia Miller, CPRB Paralegal

Lindsey Atkins, CPRB Outreach Officer

Sharon Whittaker, CPRB Deaths and Refunds Manager

Ronda Harvey, Esquire, Bowles Rice

Craig Slaughter, WVIMB

Chris Meadows, Empower

Anne Charnock, Hearing Examiner

Sarah Korwan, Hearing Examiner

Tab #1: Approval of Minutes January 18, 2023

- Vice chair McKown stated he would entertain a motion to approve the January 18, 2023 Board minutes.

Mr. Vallet made a motion that the Board approve the minutes of the January 18, 2023 meeting of the Board. Mr. Patterson seconded the motion. The motion was adopted.

Approval of Minutes February 16, 2023

- Vice chair McKown stated he would entertain a motion to approve the February 16, 2023 Board minutes.

Mr. Vallet made a motion that the Board approve the minutes of the February 16, 2023 meeting of the Board. Mr. Patterson seconded the motion. 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, gave his report to the Board which included the following information:

1. **Employee of the Month** – Mr. Fleck recognized Sharon Whittaker, CPRB Deaths and Refunds Manager. He informed the Board that he was incredibly pleased to have Employee of the month back-to-back. He thanked Sharon for her efforts.
2. **CPRB Metric Chart** - Mr. Fleck reviewed the Metric Chart. He said that the average time to receive the first retirement payment for a PERS retirement is 29 days and for a TRS retirement it is 32 days. He added that statistics for benefits estimates as well as death and refund applications were included in the Metric Chart.
3. **TDC Statistics** – Mr. Fleck reported that the TDC Plan had 3,713 participants, and its assets were \$618,135,905 as of February 28, 2023.
4. **Delinquent Employers** – Director Fleck said that staff had been in contact with the Marshall County Commission regarding their delinquency. Marshall County Commission informed the CPRB staff that there is an issue submitting monthly report and they are working to get it corrected. He added that Green Acres Recreation Center continues to reimburse according to its settlement agreement.
5. **February Financials** – Mr. Fleck stated that the February financials showed that the agency was at 70 percent of its YTD Actual budget.

6. Special Items –

- **Records Retention Policy update-** Director Fleck reported that 2500 boxes have been destroyed in the records retention update.
 - **Legislative Update** – Mr. Fleck gave a report on legislation. He also noted that all six of the CPRB Agency Bills passed legislation. Mr. Fleck mentioned that this session was extremely busy and stressful for everyone, and he praised Ken Woodson, CPRB Board Actuary, for all his hard work and thanked him for his efforts. He also thanked Terasa Miller, Deputy Director, for all the time and effort she put into working with the legislative counsel responding to questions and concerns.
 - **Move update-** Director Fleck reported that everything is running on time. He stated that the carpet is being installed, cubicle pieces have been ordered and painting is finished. Mr. Fleck explained that staff will start to move at the end of April and remote work will begin May 1st and last for 2 weeks. Director Fleck informed the members that the next Board Meeting will be held at the new location on May 17th at 10:00 am in the West Virginia Conference room(#3001) located on the 3rd floor.
 - **Outreach update:** Director Fleck mentioned Lindsey Atkins is doing a great job with the Outreach program and gave an update on the upcoming Outreach seminars.
- **Approval of Executive Director spending authority:**

Vice-Chairman McKown stated he would entertain a motion to approve the Executive Director's spending Authority up to fifty thousand dollars (\$50,000) without Board approval.

Secretary Scott made a motion that the Board approve and formalize the policy and Executive Directors spending authority. Mr.Vallet seconded the motion. The motion was adopted.

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

Tab #3: Plans Investment Data

WVIMB Report- Craig Slaughter

Vice-Chairman McKown recognized Craig Slaughter, Investment Officer of the West Virginia Investment Management Board (WVIMB). Mr. Slaughter reviewed the Plan's Investment Returns

Preliminary Report for the period ending January 31, 2023. He reported that investment returns were at 5.8 % year-to-date a big jump from 1.6 % year -to- date last year in January 2022. Mr. Slaughter noted that it was very unlikely to see inflation fall to where we need it to be. He stated that the economic environment seems to be resilient. He went on to say that they have changed their fixed income exposure modestly to be a little more conservative. He then answered questions from the Board members.

Empower Report-Chris Meadows

Chris Meadows of Empower Retirement gave an update on TDC Outreach. Mr. Meadows stated that he had conducted 201 education counseling sessions and forty-five distribution counseling sessions since the beginning of the year and the total number of counseling and distribution sessions for the year was 249.

Mr. Meadows reported that a TDC investment strategy mailer had been sent to each of the TDC participants and it focused on retirement readiness and other options. He also said that a TDC survey mailer had been sent out and it provided participants an opportunity to give feedback.

Mr. Meadows also updated the Board on the TDC Investment Data. He reported that market volatility has continued to be the norm for the first part of 2023. He stated that in the past few days we've seen the largest bank failure since the great recession. Mr. Meadows explained that when Silicon Valley Bank and Signature bank were taken over by the FDIC, it sent markets into a tailspin. Fortunately, the US Treasury and Federal Reserve stepped in with guaranteed deposits which brought back some stability to the banking markets. He added that from a fund line standpoint and even with all that's been happening things remain solid.

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.

The Board went into Executive Session at 10:39 a.m.

Vice Chairman McKown reconvened the Public Session of the March 15, 2023, meeting of the CPRB Board of Trustees meeting from Executive Session at 11:06 a.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 the Executive Session.

Tab #4: Appeals for Consideration

Hearing Examiner- Sarah G. Korwan

Vice-Chairman McKown recognized Sarah Korwan, Hearing Examiner, to review the appeal of Thomas Evans.

Ms. Korwan stated that the issue presented in Mr. Evans appeal was whether the Applicants medical condition renders him unable to perform substantial gainful activity. Based on the Conclusions of Law, Ms. Korwan recommended that the appeal of Thomas Evans be denied.

Vice Chair Mr. McKown stated that he would entertain a motion to accept the recommendation of Hearing Examiner Korwan regarding the appeal of Thomas Evans.

Mr. Vallet made a motion to accept the recommendation of Hearing Examiner Korwan regarding the appeal of Thomas Evans. Mr. Patterson seconded the motion. The motion was adopted.

Hearing Examiner-Anne B. Charnock-

Vice chair McKown recognized Anne Charnock, Hearing Examiner to review the appeal of Timothy Little.

Hearing examiner Charnock reviewed the appeal of Timothy Little, a participant of the Public Employees Retirement System. The issue before the Board was whether Mr. Little could purchase military service credit for the *time he served*.

Based upon the Findings of Fact and Conclusions of Law, Hearing Examiner Charnock recommended that Mr. Little's appeal of the Board's decision to deny him the opportunity to purchase military service be affirmed and his appeal be denied.

Secretary Scott made a motion that the Board adopt the recommendation of the Hearing Examiner and deny the appeal of Timothy Little. Mr. Vallet seconded the motion. The motion was adopted.

The report of the Hearing Examiner was located behind Tab #4 of the Board materials.

Tab #5: Legal Counsel Reports

Report of In-House Legal Counsel – Jeaneen Legato

Vice-Chairman McKown 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 included all current Administrative, Circuit Court and Supreme Court cases.

Ms. Legato also reviewed the Less Than Honorable Service (LTHS) case of **Todd Roatsey**, she stated that he was a former high school counselor and member of the Teachers Retirement System (TRS).

Ms. Legato recommended that the Board disqualify and terminate Mr. Roatsey's pension and his membership in TRS for rendering less than Honorable Service.

Mr. Vallet made a motion that the Board accept the recommendation of Counsel to disqualify and terminate the pension and membership in the PERS of Todd Roatsey and to authorize legal counsel to proceed with LTHS action. Mr. Patterson seconded the motion. The motion was adopted.

Ms. Legato reviewed the Less Than Honorable Service (LTHS) case of **Willie Belemonte Jr.**, a member of the Teachers Retirement System (TRS). She stated that this former teacher is a TRS member. She stated that on November 1, 2022 he entered a guilty plea in Circuit Court of Jefferson County.

Ms. Legato recommended the Board disqualify and terminate Mr. Belmonte's pension and his membership in TRS for rendering less than honorable service.

Mr. Patterson made a motion that the Board accept the recommendation of Counsel to disqualify and terminate the pension and membership in TRS of Willie Belmonte Jr. and to authorize legal counsel to proceed with LTHS action. Secretary Scott seconded the motion. The motion was adopted.

Ms. Legato stated that she only had one update on the four pending Circuit Court cases. She updated the Board on Ms. Pamela McDaniel's case and stated that Ms. McDaniel's case has been assigned to Kanawha County Circuit Court Judge Tera Salango and no scheduling order has been entered yet.

Report from Outside Legal Counsel – Ronda Harvey

Vice Chairman McKown recognized Ronda Harvey, Outside Legal Counsel, to give her report to the Board. Ms. Harvey updated the Board on all Administrative, Circuit Court and Supreme Court cases.

Ms. Harvey updated the Board on the Tackett case and reminded the Board that this case has two different cases, Tackett I and Tackett II. In Tackett I the plaintiff won his case and was awarded his attorney fees. In Tackett II CPRB won the case. We have received an email from Judge Webster's Law Clerk stating that Judge Webster has received both respective proposed orders from CPRB legal counsel and the plaintiff's legal counsel. The Law Clerk further advised us that the Judge will be issuing a detailed order outlining her rulings and findings.

Ms. Harvey updated the Board on the Robert Clark (DNR) case. She stated that opposing counsel, Mr. Simmons has been communicating with her periodically and that he is still trying to locate records showing how much subsistence allowance was paid to each officer. There is nothing new to report as of now.

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

Tab #5: Committee Reports

Disability Review Committee – Reginald Patterson

Vice-Chairman McKown recognized Mr. Patterson to give the report of the Disability Review Committee. Mr. Patterson reported that the Disability Committee met on Tuesday, March 14, 2023 and made a motion to accept and approved the staff's recommendations of disability retirement applications:

System	Approved Total Duty	Approved Total Non- Duty	Denied Total Duty	Denied Total Non- Duty	Total
EMSRS	1	0	0	0	1
PERS	0	5	1	5	11
SP-PLAN B	1	0	0	0	1
TRS	0	6	0	0	7
TOTALS	2	11	1	6	20

Mr. Vallet made a motion that the Disability Committee approve the disability retirement applications . Secretary Scott seconded the motion. The motion was adopted.

Secretary Scott made a motion that the Board approve the Disability Committee’s recommendation to terminate benefits of the two members that are no longer disabled. Jeffrey Vallet seconded the motion. The motion was adopted.

Reginald Patterson made a motion to approve the Disability Committee’s recommendation of the suspension of eighteen retirees disability retirement for failure to comply with mandatory medical re-certification. Mr. Vallet seconded the motion. The motion was adopted.

Investment Committee Report -Jeffrey Vallet-

Vice Chairman McKown recognized Jeffrey Vallet to give the report of the Investment Committee.

Mr. Vallet reported that the Committee had met on Tuesday, March 14, 2023. He notified the Board that the T. Rowe Price Blue Chip Fund has been on watch and not doing well for a few years, so the Committee voted to replace it with the J P Morgan Large Cap Growth Stock Fund.

Mr. Vallet made a motion that the Board adopt the Investment Policy change as recommended by the Investment Committee. Mr. Scott seconded the motion. The motion was adopted.

Mr. Vallet also stated that Empower bought the Prudential Insurance Investment vehicles and one of the things they bought was Institutional Separate Accounts (ISA) and in the ISA they offer the same investments but at a much lower rate which will save the pension holders roughly \$1,000 a year. So, the Investment Committee voted yesterday to go to Institutional Separate Accounts (ISA) and would like the full Board to approve and adopt the change of investment.

Mr. Vallet made a motion that the Board adopt the Investment Policy change as recommended by the Investment Committee. Mr. Scott seconded the motion. The motion was adopted.

The Committee Reports and Committee Minutes were located behind Tab #5 of the Board materials.

Tab #6 Old Business

Vice Chair McKown inquired as to any old business. None was heard.

Tab #7: New Business

Vice-Chair McKown inquired as to any new business. None was heard.

Adjournment

There being no further business to come before the board, Mr. McKown declared that the meeting is adjourned at 11:22a.m.

mil mckow - Vice Chair

Joseph G. Bunn, Chairman

Consolidated Public Retirement Board

Jeffrey E. Fleck

Jeffrey E. Fleck, Executive Director

Consolidated Public Retirement Board