

**MINUTES OF THE
WV CONSOLIDATED PUBLIC RETIREMENT BOARD
BOARD OF TRUSTEES MEETING
MEETING OF AUGUST 16, 2023**

A meeting of the West Virginia Consolidated Public Retirement Board (“CPRB”), Board of Trustees, was held on Wednesday, August 16, 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 10:02 a.m.

Roll Call:

Trustees participating:

Joseph G. Bunn, Chairman
Mike McKown, Vice Chairman
Michelle Storage, Esquire, *representing State Treasurer Riley Moore*
Mark D. Scott, Cabinet Secretary, Department of Administration
Bill Barker
Woodrow Brogan
Daniel Cart
Larry Cole (*Joined at 10:36 am*)
Beth Morgan
Michael Corsaro
Brad Mankins
D. Todd Murray
Dominique Ranieri
Jeffrey Vallet

Trustees absent:

Garner Marks, *representing Governor James C. Justice, II*
Jeff Waybright, *representing State Auditor John B. McCuskey*
Rhonda Bolyard

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

Lindsey Atkins, CPRB, Outreach Officer

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

Emily Lambright, Esquire, Bowles Rice

Chris Meadows, Empower

Anne Charnock, CPRB Hearing Officer

Jennifer Scarbro, CPRB

Missy Williams, CPRB

Tammy White, CPRB

Tab 1: Approval of the June 28, 2023 Minutes

Chairman Bunn stated that he would entertain a motion to approve the minutes of the June 28, 2023 meeting of the CPRB Board of Trustees.

Mr. Vallet made a motion that the Board approve the minutes of the June 28, 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 Missy Williams as a Retirement Advisor and Jennifer Scarbro who is our receptionist/appointment scheduler. Director Fleck added that both ladies do a fantastic job and that he appreciates their hard work and thanked both ladies for their efforts.
2. ***Contract Renewal***- Mr. Fleck noted that the InRule Technology Inc. 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 InRule Technology Inc.

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

3. ***CPRB Metric Chart*** - Mr. Fleck reviewed the Metric Chart. He stated that July is always a busy month and that the average time to receive the first retirement payment for PERS was 33 days this year and he noted that it was a little quicker than last year's 39 days. He said TRS was 39 days this year and 32 days last year. . He added that this year, the July retirements completed with PERS were 512 out of 606. He added there were lower numbers in TRS 130 out of 143 retirements. He praised staff for working so diligently to get these retirements processed so quickly. 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. 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 3,649 participants, and its assets were \$670,994,618 as of July 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 Logan County Public Service District regarding their delinquent contributions for the Month of June and stated that we have been in contact with the payroll coordinator, and CPRB expects a payment this month.
6. ***July Financials*** – Mr. Fleck stated that the July financials were included in the Board materials. He added that the financial report for May showed that the agency was at 80 percent of its YTD Actual budget.
7. ***Records retention/Destruction update*** – Mr. Fleck was pleased to report that over 6,300 boxes were destroyed and by the end of the year all boxes will be out of Iron Mountain.
8. ***Legislative Update***- Mr. Fleck stated that there was a legislative interim and a Pensions Committee meeting was scheduled, but due to a special session it was cancelled. He also noted that Senator Nelson has been very active at looking into the 911 operators/dispatchers being moved from PERS TO EMSRS.
9. ***Outreach report***- Director Fleck stated that Lindsey Atkins was in Jackson County doing a seminar for Teachers for a TRS outreach with 80 of their employees and she will be in Wetzel County tomorrow doing another outreach for TRS with 50 employees. He noted that she has two more scheduled for August. Director Fleck noted that Ms. Atkins is staying very busy and how important the Outreach program is. He then offered to answer any questions.

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 June 30, 2023. Mr. Slaughter commented that 8.4 was driven by public equity. He added that it was a pleasant surprise and it clearly beat the 7.5 that we needed. He informed us that US stocks were up in June 6 % and International stocks were up 4%. Mr. Slaughter noted that any fund with private markets will have lower return and we fall into that category. He said that the US equity market has been driven lately by seven stocks lately referred to as the magnificent seven. He stated that those seven stocks were up 64% this month and the rest of the market was up 3%.

He stated that we may see a soft landing with the potential for inflation rates to come down and a reduction in interest rates.

He then answered questions from the committee 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 624 educational counseling sessions and 208 distribution counseling sessions since the beginning of the year for a total of 832 sessions.

Mr. Meadows reported that the summer newsletter covered decisions to consider when retiring such as planning for long term retirement and calculating net worth, just to name a few. He noted that the newsletter has been sent out to each of the participants at the end of the 2nd quarter.

Mr. Meadows also updated the Board on the TDC Investment Data. He reported as we approach the middle of August that investors continue to see positive performance in the equity markets during the 2nd quarter of 2023. Mr. Meadows reported that large US stocks led the way with the S&P advancing another 8.7 percent, bringing its year-to-date return to just under 17 percent.

Mr. Meadows also reported that the fund line continues to perform well and outperform their peer groups over the long-term time frames. 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 –Anne Charnock

Chairman Bunn recognized Anne Charnock, Hearing Officer, to review the appeal of Darlene Dingess- Adkins.

Ms. Charnock stated the issue in Ms. Adkins' appeal is whether the applicants request to draw retirement benefits although she returned to employment in the same position with the same employer the day after she retired. She stated that the Consolidated Public Retirement Board properly revoked her retirement payments upon discovering that she returned to work the day after she claimed to retire.

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. Adkins appeal be denied.

Chairman Bunn stated that he would entertain a motion to accept and approve the recommendation of Hearing Officer Charnock that the appeal of Darlene Dingess-Adkins be denied.

Mr. Scott made a motion to accept the recommendation of Hearing Officer Charnock to deny the appeal of Darlene Dingess-Adkins. Mr. Barker 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 no current Circuit Court cases. She noted that there are two current Intermediate court cases pending. Ms. Legato reviewed Dondi Stemple's TRS appeal involving an alleged fraudulent refund. She noted that Ms. Stemple is represented by attorney Lonnie Simmons and on June 5, 2023 Hearing Officer Charnock issued a Recommended Decision which recommends that Ms. Stemple's appeal should be denied.

During the June 28, 2023 Board meeting, the Board voted to accept the Recommended Decision and denied the appeal. On July 18, 2023, Ms. Stemple, by counsel, filed an appeal with the Intermediate Court of Appeals of West Virginia. On July 27, 2023, the Court entered a Scheduling Order which directs the Respondent (Board) to file the administrative record by August 16, 2023. The Order directs the Petitioner to file a brief in support of the appeal by October 30, 2023.

Ms. Legato updated the Board on the Albert West case she stated that This is a PERS appeal involving a request to change the annuity option after the retiree's death.

Mrs. West is represented by attorney Richard Lindroth. Ms. Legato notified the Board that on June 16, 2023 Judge Webster issued an order affirming the Boards final order and they have 30 days to appeal the case. On July 17, 2023, Mrs. West, by counsel, Mr. Richard Lindroth filed an appeal with the Intermediate Court of Appeals of West Virginia.

On July 26, 2023, the Court entered a Scheduling Order which directs the Petitioner to file an appendix by September 21, 2023 and brief in support of the appeal by October 16, 2023.

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

Report from Outside Legal Counsel – Emily Lambright

Chairman Bunn recognized Emily Lambright, Outside Legal Counsel, to give her report to the Board.

Ms. Lambright 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. Lambright 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. She added that there was only one administrative case pending before the Supreme Court was the Darlene Dingess-Adkins case and was reported on by Hearing Examiner Charnock. Ms. Lambright 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- Mike McKown

Chairman Bunn recognized Mr. McKown to give his report on the Accounting & Audit Committee. He stated that the Committee met on Tuesday, June 27, 2023 and that we will need full Board approval on Ms. Baker's and Deputy Director Miller's recommendations to amend and approve the Accounting and Audit Charter.

Mr. Vallet made a motion to accept and approve the recommendation of Ms. Baker's and Deputy Director Miller's to modify and allow disbursement of TDC Revenue sharing to TDC members and amend the Accounting and Audit Charter.

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

Disability Review Committee – Todd Murray

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

Mr. Murray reported that the Committee met on Tuesday, June 27, 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	Approved Total Non-Duty	Denied Total Duty, Approved Partial Duty	Total
DSRS	1	0	1	2
PERS	0	1	0	1
TRS	0	5	0	5
TOTALS	1	6	1	8

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

Mr. Murray 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. McKown. The motion to accept and approve the recommendation was adopted.

WVIMB Representatives Committee-Todd Murray

Chairman Bunn recognized Mr. Murray to give his report to the Board. Mr. Murray reviewed the applications to be considered for appointment as representatives for the two additional retirement systems to the West Virginia Investment Management Board for Fiscal Year 2024. He added that there was only one candidate for consideration for each plan.

- Joseph W. Koher as representative for the Municipal Police and firefighters' retirement systems (MPFRS).
- Bobby Lynn Cales as representative for the Natural Resource Police Officers Retirement System (NRPORS).

Chairman Bunn stated that he would entertain a motion to accept and approve the recommendation of the WVIMB Representatives Committee.

Mr. Cole made a motion to accept and recommend to the Board of Trustees Joseph W. Koher as representative for to the West Virginia Management Board for Fiscal Year 2024 for the Municipal Police and firefighters retirement systems (MPFRS) and Bobby Lynn Cales as representative for the Natural Resource Police Officers Retirement System (NRPORS). Mr. Cart seconded the motion. The motion was adopted.

Investment Committee- Jeffrey Vallet

Chairman Bunn recognized Mr. Vallet to give his report to the Board. Mr. Vallet stated that the Investment Committee discussed and voted on amending the Investment Policy Statement to reflect that it is an informal review and to amend any successor fund name change.

Mr. Vallet made a motion to approve and amend the Investment Policy Statement to reflect that it is an informal review and to amend any successor fund name changes to the names and classifications.

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

Tab #7 Board Actuary Report and Presentation- Ken Woodson Jr.

Chairman Bunn recognized Dr. Ken Woodson, CPRB Actuary, to give his report on Interest Rate and Inflation Rate. Mr. Woodson reminded everyone that the Board of Trustees requires us to review the Inflation rate and Interest rate each year. He gave his report on the Interest Rate Assumptions and Inflation Rate Assumptions for all nine plans. Mr. Woodson made a brief presentation to the Board regarding the Interest Rate and Inflation Rate Assumption. Mr. Woodson reviewed projected Rates of Return for West Virginia State Retirement Systems.

Mr. Woodson then offered to answer questions from the Board members.

Chairman Bunn stated that he would entertain a motion to adopt the recommendation of the Board Actuary on the Interest Rate and Inflation Rate Assumption.

Mr. Vallet made a motion that the Board adopt the recommendation of the Board Actuary regarding the Interest Rate and Inflation Rate Assumption which would be a continuation of the 7.25 percent interest rate assumption and 2.75 percent inflation rate assumption for the July 1, 2023 actuarial valuations for all nine plans. Mr. Mankins seconded the motion. The motion was adopted.

The Board Actuary Report, Asset Return Update and the Projected Rate of Return were located behind Tab #7 of the Board materials.

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 he appreciates each one of the Board members for volunteering your time and effort that you put into serving on the Board of Trustees. He explained that you're dealing with very complex retirement plans and that he feels like education for the Board members is very important. He stated that Consolidated Public Retirement Board wants to offer any opportunity to attend these workshops to the Board members and will cover the cost of their expenses when attending these educational workshops.

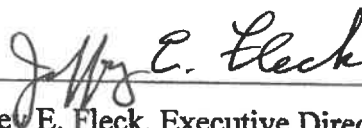
He added that anytime a Board of Trustees workshop or educational seminar becomes available he will let all Board members know and he encouraged everyone to take advantage of these workshops. Recently a few Board members attended the National Council on Teachers Retirement workshop in Williamsburg Va. and both members that attended said it was a very valuable and informative workshop.

Adjournment

There being no further business to come before the board the meeting adjourned at 11:18 a.m.



Joseph G. Bunn, Chairman
Consolidated Public Retirement Board



Jeffrey E. Fleck, Executive Director
Consolidated Public Retirement Board