

**MINUTES OF THE  
WV CONSOLIDATED PUBLIC RETIREMENT BOARD  
BOARD OF TRUSTEES MEETING  
MEETING OF SEPTEMBER 1, 2021**

A meeting of the West Virginia Consolidated Public Retirement Board Board of Trustees (“CPRB”), Board of Trustees, was held on Wednesday, September 1, 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 10:06 a.m. by Joseph G. Bunn, Chair.

**Roll Call:**

**Trustees participating:**

Joseph G. Bunn, Chair

Ann Urling, *representing Governor James C. Justice, II*

Sarah Canterbury, Esquire, *representing State Treasurer Riley Moore (Via Teams)*

Cabinet Secretary Allan L. McVey

Andy Bird

Mike McKown

David Nelson

Reginald Patterson

Jeffrey Vallet

**Trustees absent:**

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

Bill Barker

Rhonda Bolyard

Michael Haney

D. Todd Murray

***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  
Alysia Miller, CPRB Paralegal  
John Galloway, CPRB Chief Financial Officer  
Alyssa Eads, CPRB Call Center  
Tina Baker, CPRB Internal Auditor  
Tara Spruce, CPRB Receptionist  
Jennifer Scarbro, CPRB Receptionist  
Pam Russell, CPRB Communications Officer  
Chris Bush, CPRB Imaging  
Tammy Hunt, CPRB Retirement Staff  
Robbie Sheff, CPRB TDC Retirement Advisor  
Kevin Kerns, CPRB Retirement Advisor  
Sherry Stowers, CPRB Death/Refunds Staff  
Kim McCormick, CPRB Death/Refunds Staff  
Paula Van Horn, CPRB TDC Manager  
Jamie Huff, CPRB Retirement Advisor  
Vicki Sutton, CPRB Membership Manager  
Amber Hawkins, CPRB Administrative Staff  
Ethan Strickland, CPRB Mailroom Staff  
Tom Sauvageot, Investment Officer, WVIMB  
Chris Meadows, Empower  
Emily Lambright, Esquire, Bowles Rice

**Tab 1: Approval of the July 14, 2021 Minutes**

**Mr. McVey made a motion that the Board approve the minutes of the July 14, 2021 meeting of the Board. The motion was seconded by Mr. Vallet. 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. *Introduction of New CPRB Staff* – Mr. Fleck stated that new staff members were encouraged to attend a board meeting to become aware of what the Board does. The new member of staff attending this meeting was Alyssa Eads – Call Center.
2. *CPRB Metric Chart* - Mr. Fleck said that the retirement section had processed 625 retirement applications since August 1<sup>st</sup>. He added that statistics for benefits estimates as well as death and refund applications were included in the Metric Chart.
3. *TDC Statistics* - He reported that the Plan had 3,896 participants and its assets were \$701,392,282.

4. *Delinquent Employers* – Director Fleck stated that since the Delinquent Employer Report had been included in the Board materials, this was the first time there had been no delinquent employers other than Green Acres who continues to reimburse according to its agreement.
5. *Actuarial Analyst Trainee Program Policy Change* – Mr. Fleck explained that since changes were last made to the Actuarial Analyst Trainee Program, he felt that with the departure of the last Actuarial Analyst Trainee, some changes needed to be made to the current policy. He requested that the Board add language to the policy under *C. – Course Fees, Item 4*, that would require the eligible employee to remain employed for at least five years or they become responsible to reimburse the CPRB for the cost of the course/exam fees and under *D. – Study Materials, Item 4*, that the eligible employee must remain employed for at least five years or they become responsible to reimburse the CPRB for the cost of the study materials.

**Mr. Vallet a motion to adopt the changes to the Actuarial Analyst Trainee Program Policy as explained by Mr. Fleck. Mr. Patterson seconded the motion. There was discussion about the program policy change.**

**Mr. McKown made a motion to amend the original motion to reflect that the eligible employee has the option to pay for the cost of the course/exam fees and the cost of the study materials in lieu of the agency paying the costs. Mr. McVey seconded the motion. The motion was adopted.**

**Mr. Vallet’s motion to adopt the changes, as amended, was adopted.**

6. *July Financials* – Mr. Fleck stated that the July financials showed that the agency was at 74.09 percent of its YTD Actual budget.
7. *Certificate of Achievement for Excellence in Financial Reporting 2020* – Mr. Fleck stated that the Government Finance Officers Association (GFOA) had awarded the certificate of Achievement for Excellence in Financial Reporting to the CPRB for its comprehensive annual financial report for fiscal year ended June 30, 2020. He added that this Certificate of Achievement is the highest form of recognition in the area of governmental accounting and financial reporting, and its attainment represents a significant accomplishment by a government and its management. Mr. Fleck congratulated Mr. Galloway, CPRB Chief Financial Officer and his staff for their exemplary work.
8. *Legislative Update* – Mr. Fleck gave an update on discussions with the Legislature for the upcoming legislative session. He said that some legislative members are interested in possibly creating a third tier in PERS for uniformed police officers, correctional officers and 911 operators. He added that Mr. Woodson had provided some information regarding the costs associated with that endeavor. He also said that they had met with the Department of Revenue and with the Chief Justice of the Supreme Court about potential legislation.

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

### **Tab #3: Plans Investment Data**

Chairman Bunn recognized Tom Sauvageot, Investment Officer of the West Virginia Investment Management Board (WVIMB). Mr. Sauvageot reviewed the Plan's Investment Returns Preliminary Report for the period ending June 30, 2021. He reported that investment returns were at 1.7 percent for the month, 7.5 percent for the quarter, 30.2 percent for the FYTD, 30.2 percent for the year and 8.0 percent for the 20-year average. He went on to say that the market has had a rapid recovery driven by technology stocks since the pandemic. He also noted that the Participant Plans Allocation & Performance Net of Fees information was included in the Board materials. He then answered questions from the members.

Chris Meadows of Empower Retirement gave an update on the TDC Outreach and Reality Investing. Mr. Meadows stated that he had conducted 580 counseling sessions and there had been 293 distributions for a total of 873 counselling and distribution sessions for the year.

Mr. Meadows also updated the Board on the TDC Investment Data. He reported that there have been good results in investments and that consumer confidence is high.

*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. Vallet 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. Bird. The motion was adopted.**

*The Board went into Executive Session at 10:43 a.m.*

*Chairman Bunn reconvened the Public Session of the September 1, 2021, meeting of the CPRB Board of Trustees meeting from Executive Session at 10:57 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 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 also updated the Board on the Janice Hirst and the Phillip Alexander cases. She added that a copy of the each of the Court Orders were attached to her report.

Ms. Legato reviewed the Less Than Honorable Service (LTHS) case of **Linda Vanscoy**, a member of the Public Employees Retirement System and a former employee of the Town of Anmoore. She reported

that on April 26, 2021, Ms. Vanscoy entered a plea of guilty to the felony offense of *Embezzlement*. The indictment stated that Ms. Vanscoy and another employee of the Town of Anmoore embezzled \$145,385.54 from the Town, the funds having come into their possession by virtue of their employment with the Town. On April 26, 2021, Judge Bedell sentenced Ms. Vanscoy to one to ten years in prison, suspended the sentence and placed her on seven years of probation.

Ms. Legato recommended the Board disqualify, terminate Ms. Vanscoy's pension and membership in PERS and proceed with LTHS action against her.

**Mr. Vallet made a motion that the Board accept the recommendation of Counsel to disqualify, terminate her pension and membership in the PERS of Linda Vanscoy and to authorize legal counsel to proceed with LTHS action. Mr. Bird seconded the motion. The motion was adopted.**

### **Report from Outside Legal Counsel – Emily Lambright**

Ms. Lambright updated the Board on matters still pending in the Circuit Courts of West Virginia and other administrative matters. Ms. Lambright also gave an update on the DNR subsistence allowance case that was heard by the West Virginia Supreme Court of Appeals. She stated that the June 14, 2021 Ruling that was issued was in part for the CPRB, in part for the Respondents and remaining part was referred back to the Circuit Court for further proceedings and thus far, no other action had taken place. *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 – Mike McKown**

Chairman Bunn recognized Mike McKown, to give a report from the Accounting & Audit Committee. Mr. McKown reported that the Committee met on Tuesday, August 31, 2021. He said that Tina Baker, CPRB Internal Auditor, had presented the Reinstatement Service Purchases Audit and the Committee recommended that the Board accept the Audit.

**Mr. McVey made a motion that the Board accept the Reinstatement Service Purchases Audit as recommended by the Accounting & Audit Committee. Mr. Patterson seconded the motion. The motion was adopted.**

Mr. McKown also stated that Internal Auditor had presented an Updated 2021 Internal Audit Plan and the Committee recommended that the Board accept the Updated Plan.

**Mr. Patterson made a motion that the Board accept the Updated 2021 Internal Audit Plan as recommended by the Accounting & Audit Committee. Mr. Bird seconded the motion. The motion was adopted.**

#### **Actuarial Assumptions Review Committee – Mike McKown**

Chairman Bunn recognized Mr. McKown, Chair of the Actuarial Assumptions Review Committee. Mr. McKown stated that the Committee had met on Tuesday, August 31, 2021 and that Ken Woodson,

CPRB Actuary, had presented the Annual Interest Rate Review for All Plans, the 2021 Uniform Services Experience Study, the 2021 Judges Retirement System Experience Study and the PERS and TRS Updated 2021 Assumptions. He went on to say that Mr. Woodson would be giving the highlights of those presentations to the Board.

### **Annual Interest Rate for All Plans**

Chairman Bunn recognized Ken Woodson, CPRB Actuary, who reviewed the Annual Interest Rate for All Plans with the Board. Mr. Woodson recommended that the Board approve the lowering of the annual interest rate assumption from 7.50% to 7.25% per year and to lower the annual inflation rate assumption from 3.00% to 2.75% per year for the nine defined benefit plans administered by the CPRB, effective with the July 1, 2021, actuarial valuations, and June 30, 2021, GASB 67 and GASB 68 disclosures.

**Mr. McKown made a motion that the Board approve the lowering of the annual interest rate assumption from 7.50% to 7.25% per year and lowering the annual inflation rate assumption from 3.00% to 2.75% per year for the nine defined benefit plans administered by the CPRB, effective with the July 1, 2021, actuarial valuations and June 30, 2021, GASB 67 and GASB 68 disclosures. Mr. Patterson seconded the motion. The motion was adopted.**

### **2021 Uniform Services Retirement Systems Experience Study**

Mr. Woodson reviewed the Uniform Services Retirement Systems Experience Study. He stated that this study is done every 5 years and it was last done in 2017. He added that this study included Plan A, Plan B, DSRS, EMSRS, MPFRS and NRPORS and that the study develops the actuarial assumptions to be effective starting with the July 1, 2021 actuarial valuation for funding and would be effective June 30, 2021 for financial disclosure purposes under GASB 67 and GASB 68. He went on to say that the changes in actuarial assumptions for the 2021 experience study were jointly recommended by himself and David Driscoll, Lead Actuary for Buck Global, LLC, and the study period included actuarial valuation data from July 1, 2015 through June 30, 2020.

Mr. Woodson reviewed the Mortality Assumptions, the Salary Scales, the Withdrawal from Service, the Disablement Rates, the Family Composition and Accrual of Service, the Retirement Rates, the Noncontributory Service Loadings, the Post-Decrement Probabilities Type of Death and the Plan Contributions.

Mr. Woodson recommended that the Board adopt all the new Plan A Assumptions outlined in the 2021 Uniformed Services Experience Study, effective June 30, 2021 for the Plan A financial disclosure purposes and effective July 1, 2021 for the Plan A actuarial valuation for funding.

**Mr. McKown made a motion that the Board adopt all the new Plan A assumptions outlined in the 2021 Uniformed Services Experience Study, effective June 30, 2021 for the Plan A financial disclosure purposes and effective July 1, 2021, for the Plan A actuarial valuation for funding. Mr. Vallet seconded the motion. The motion was adopted.**

Mr. Woodson recommended that the Board adopt all the new Plan B Assumptions outlined in the 2021 Uniformed Services Experience Study, effective June 30, 2021 for the Plan B financial disclosure purposes and effective July 1, 2021 for the Plan B actuarial valuation for funding.

**Mr. McKown made a motion that the Board adopt all the new Plan B assumptions outlined in the 2021 Uniformed Services Experience Study, effective June 30, 2021 for the Plan B financial disclosure purposes and effective July 1, 2021, for the Plan B actuarial valuation for funding. Mr. McVey seconded the motion. The motion was adopted.**

Mr. Woodson recommended that the Board adopt all the new DSRS Assumptions outlined in the 2021 Uniformed Services Experience Study, effective June 30, 2021 for the DSRS financial disclosure purposes and effective July 1, 2021 for the DSRS actuarial valuation for funding.

**Mr. McKown made a motion that the Board adopt all the new DSRS assumptions outlined in the 2021 Uniformed Services Experience Study, effective June 30, 2021 for the DSRS financial disclosure purposes and effective July 1, 2021, for the DSRS actuarial valuation for funding. Mr. Vallet seconded the motion. The motion was adopted.**

Mr. Woodson requested that the Board adopt all the new EMSRS assumptions outlined in the 2021 Uniformed Services Experience Study, effective June 30, 2021 for the EMSRS financial disclosure purposes and effective July 1, 2021, for the EMSRS actuarial valuation for funding.

**Mr. McKown made a motion that the Board adopt all the new EMSRS assumptions outlined in the 2021 Uniformed Services Experience Study, effective June 30, 2021 for the EMSRS financial disclosure purposes and effective July 1, 2021, for the EMSRS actuarial valuation for funding. Mr. Bird seconded the motion. The motion was adopted.**

Mr. Woodson requested that the Board adopt all the new MPFRS assumptions outlined in the 2021 Uniformed Services Experience Study, effective June 30, 2021 for the MPFRS financial disclosure purposes and effective July 1, 2021, for the MPFRS actuarial valuation for funding.

**Mr. McKown made a motion that the Board adopt all the new MPFRS assumptions outlined in the 2021 Uniformed Services Experience Study, effective June 30, 2021 for the MPFRS financial disclosure purposes and effective July 1, 2021, for the MPFRS actuarial valuation for funding. Mr. Patterson seconded the motion. The motion was adopted.**

Mr. Woodson requested that the Board adopt all the new NRPORS assumptions outlined in the 2021 Uniformed Services Experience Study, effective June 30, 2021 for the NRPORS financial disclosure purposes and effective July 1, 2021, for the NRPORS actuarial valuation for funding.

**Mr. McKown made a motion that the Board adopt all the new NRPORS assumptions outlined in the 2021 Uniformed Services Experience Study, effective June 30, 2021 for the NRPORS financial disclosure purposes and effective July 1, 2021, for the NRPORS actuarial valuation for funding. Mr. Vallet seconded the motion. The motion was adopted.**

### **Judges' Retirement System Experience Study**

Mr. Woodson gave an overview of the 2021 Judges' Retirement System (JRS) Experience Study. He said that the JRS plan covers judges serving in the Circuit Courts and justices of the State Supreme Court of Appeals and that an experience study of the plan is done at least once every five years. He added that the experience study develops the actuarial assumptions to be effective starting with the July 1, 2021 actuarial valuation for funding and would be effective June 30, 2021 for financial disclosure purposes under GASB 67 and GASB 68. He said that changes in actuarial assumptions from the 2021 experience study were jointly recommended by himself and David Driscoll, Lead Actuary for Buck Global, LLC. He also stated that the study period includes actuarial valuation data from July 1, 2015 through June 30, 2020. He also reviewed the mortality assumption tables, the withdrawal rates and disablement rates, the salary scales, the family composition and accrual of future service, the retirement rates, the noncontributory service loadings, and the plan contributions.

Mr. Woodson requested that the Board adopt all the new JRS assumptions outlined in the 2021 Judges' Experience Study, effective June 30, 2021 for the JRS financial disclosure purposes and effective July 1, 2021, for the JRS actuarial valuation for funding.

**Mr. McKown made a motion that the Board adopt all the new JRS assumptions outlined in the 2021 Judges' Experience Study, effective June 30, 2021 for the JRS financial disclosure purposes and effective July 1, 2021, for the JRS actuarial valuation for funding. Mr. Bird seconded the motion. The motion was adopted.**

### **PERS and TRS Updated 2021 Assumptions**

Mr. Woodson gave an overview of the Updated 2021 Public Employees Retirement System (PERS) and the Teachers Retirement System (TRS) Assumptions. He explained that an experience study for PERS was completed in 2019 and an experience study for TRS was completed in 2020. He said that as of 2021, on the basis of the annual interest rate review for all defined benefit plans administered by the CPRB, he was recommending that the interest rate used to discount liabilities be lowered from the current rate of 7.5% per annum, net of expenses, to the proposed rate of 7.25% per annum, net of expenses, and that the inflation assumption be lowered from the current rate of 3.00% per annum to the proposed rate of 2.75% per annum. He added that for both PERS and TRS, the salary increase assumption depends on the inflation rate assumption, therefore, the salary increase assumption, net of inflation for PERS and TRS were reviewed. Based on the analysis, he was recommending a change for the PERS salary increase assumption, net of inflation, but he was recommending no change in the salary increase assumption, net of inflation, for TRS. He added that all other assumption for PERS and TRS remain unchanged from those adopted on the basis of the experience studies mentioned before. He also reviewed the Salary Scales.

Mr. Woodson requested that the Board adopt all the new PERS assumptions outlined in the 2021 PERS and TRS Assumptions Changes Report, effective June 30, 2021, for the PERS financial disclosure purposes and effective July 1, 2021, for the PERS actuarial valuation for funding.



**Mr. McKown made a motion that the Board adopt all the new PERS assumptions outlined in the 2021 PERS and TRS Assumption Changes Report, effective June 30, 2021 for the PERS financial disclosure purposes and effective July 1, 2021, for the PERS actuarial valuation for funding. Mr. Patterson seconded the motion. The motion was adopted.**

Mr. Woodson requested that the Board adopt all the new TRS assumptions outlined in the 2021 PERS and TRS Assumptions Changes Report, effective June 30, 2021, for the TRS financial disclosure purposes and effective July 1, 2021, for the TRS actuarial valuation for funding.

**Mr. McKown made a motion that the Board adopt all the new TRS assumptions outlined in the 2021 PERS and TRS Assumption Changes Report, effective June 30, 2021 for the TRS financial disclosure purposes and effective July 1, 2021, for the TRS actuarial valuation for funding. Mr. Patterson seconded the motion. The motion was adopted.**

**Disability Review Committee – Reginald Patterson**

Mr. Bunn recognized Mr. Patterson to give the report of the Disability Review Committee. Mr. Patterson reported that the Disability Committee met on Tuesday, August 31, 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:

<b>System</b>	<b>Approved</b>	<b>Denied</b>	<b>Total</b>
<b>PERS</b>	<b>1 - Total Duty</b>	<b>2</b>	<b>13</b>
	<b>12 – Total Non-Duty</b>		
<b>TRS</b>	<b>2 – Total Non-Duty</b>	<b>0</b>	<b>2</b>
<b>TOTALS</b>	<b>15</b>	<b>0</b>	<b>15</b>

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

**Investment Committee – Jeff Vallet**

Chairman Bunn recognized Mr. Vallet to give a report from the Investment Committee. Mr. Vallet stated that the Board had had the DFA US Targeted Value R1 fund on official watch and the Committee was recommending the removal of that fund from the watch list.

**Mr. Vallet made a motion that the Board approve the removal of the DFA US Targeted Value R1 fund from the watch list. Mr. McVey seconded the motion. The motion was adopted.**

Mr. Vallet also reported that the Committee was recommending that the Board approve adding the T. Rowe Price Blue Chip Growth fund, the Great West T. Rowe Price Mid CP Gr Inv fund and the T. Rowe Price QM US Small-Cap Gr Eq fund to the watch list.

**Mr. Vallet made a motion that the Board approve adding those funds to the official watch list. Mr. Bird seconded the motion. The motion was adopted.**

**Tab #6: Old Business**

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

**Tab #7: New Business**

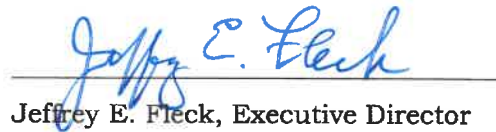
Chairman Bunn inquired as to any new business to come before the Board. None was heard.

**Adjournment**

There being no further business to come before the board, the meeting adjourned at 12:10 p.m.



Joseph G. Bunn, Chairman  
Consolidated Public Retirement Board



Jeffrey E. Fleck, Executive Director  
Consolidated Public Retirement Board