

**MINUTES OF THE  
WV CONSOLIDATED PUBLIC RETIREMENT BOARD  
BOARD OF TRUSTEES MEETING  
MEETING OF JANUARY 18, 2023**

A meeting of the West Virginia Consolidated Public Retirement Board (“CPRB”), Board of Trustees, was held on Wednesday, January 18, 2023 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 10:08 a.m. by Joseph Bunn, Chair.

**Roll Call:**

**Trustees participating:**

Joseph G. Bunn, Chair

Mike McKown, Vice Chair

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

*(Joined the meeting @10:28 am)*

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

Mark D. Scott, Cabinet Secretary, Department of Administration

Bill Barker

Rhonda Bolyard

Woodrow Brogan

Daniel Cart

Beth Morgan

D. Todd Murray

David Nelson

Dominique Ranieri *(departed the meeting @ 12:02 pm)*

Jeffrey Vallet

**Trustees absent:**

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

Larry Cole

Reginald Patterson

**A quorum was present.**

**Others present:**

Jeffrey E. Fleck, CPRB Executive Director

Terasa Miller, CPRB Deputy Director

Kimberly Pauley, CPRB Executive Assistant

Alysia Miller, CPRB Paralegal

Kenneth Woodson, CPRB Actuary

Haley Perry, CPRB Actuarial Analyst

Patricia Bowgren, CPRB IT Staff

Jeaneen Legato, Esquire, CPRB General Counsel

Elizabeth Cooper, CPRB Chief Financial Officer

John Beane, CPRB IT Manager

Tina Baker, Internal Auditor

Ronda Harvey, Esquire, Bowles Rice

Craig Slaughter, WV Investment Management Board

Chris Meadows, Empower

Lisa Trump, CPRB

Tammy White, CPRB

Lindsey Atkins, CPRB

**Tab 1: Approval of the January 4, 2023, Minutes**

Chairman Bunn stated that he would entertain a motion to approve the minutes of the January 4, 2023 meeting of the CPRB Board of Trustees.

**Jeff Waybright made a motion that the Board approve the minutes of the January 4, 2023, meeting of the Board. Mark Scott 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**

Chairman Bunn recognized Jeffrey Fleck, Executive Director, to give his report to the Board which included the following information:

1. ***Recognition of Employees*** – Director Fleck introduced the Consolidated Public Retirement Boards New Chief Financial Officer, Elizabeth Cooper who came to us from the Purchasing Division. Director Fleck informed the Board that Kevin Kerns, Retirement Advisor with the Consolidated Public Retirement Board has been chosen as the Employee of the Month for February. Director Fleck thanked him for his efforts.
2. ***CPRB Operational Metrics*** – Director Fleck reviewed the metric charts located behind Tab 2 of the Board materials. He announced that since last year, there has been improvement in the average processing time of retirements. He stated that the annual average number of days to first check has been reduced from 38 days to 34 days in PERS and in TRS 43 days to 40 days. Chairman Bunn inquired about recent trends in the number of retirements and there was a brief discussion.
3. ***TDC Statistics*** – Director Fleck stated that the TDC Plan, which has been closed to new enrollees has 3,733 participants and the total plan assets were \$601,363,056 as of December 31, 2022.
4. ***Delinquent Employers*** – Director Fleck reported that Green Acres Regional Center continues to make payments according to the settlement agreement bringing their delinquent balance down to \$115,000 from the original amount of over \$600,000. He stated that Berkeley County Commission, is late because they have changed the method of submitting information. And they have several manual payroll changes. Mr. Fleck reported that the

Town of Clay, is a couple of months behind, he noted that staff is working to get them caught up and staying on top of the Delinquent Employers.

5. **Contract Renewal** – Director Fleck stated that the contract for Hearing Examiner, Sarah G. Korwan is coming up for renewal in February for the same hourly rate of \$110.00. Director Fleck requested that the Board approve the renewal of her contract. Chairman Bunn stated he would entertain a motion to renew and approve the Hearing Examiner, Sarah G. Korwan's contract for another year.

**Jeffrey Vallet made a motion to renew and approve the contract of Hearing Examiner Sarah G, Korwan for one year. The motion was seconded by Jeffrey Waybright. The motion was adopted.**

6. **Records Retention**- Director Fleck noted that at the last meeting, the Board approved a records retention policy to allow us to begin the process of destroying records. Director Fleck announced that 350 boxes of records have been destroyed so far and staff will continue to go through boxes and destroy according to policy.
7. **Monthly Financials** – Director Fleck stated that financial reports for the months of November and December are in his report. He reported that the period ending December 31, 2022, shows that the agency is operating below budget at 77% of budget for the month and 71% of budget for the year.
8. **Special items** – Director Fleck updated the Board on the Request for Quote for purchasing and installing carpet at the new location. Director Fleck stated that CPRB has received bids from two vendors: Goday Enterprises at \$77,107 and Continental Flooring Company at \$94,888. Director Fleck stated that he has requested five references from each vendor and is still trying to determine if the bids meet the requirements Director Fleck asked the Board for approval to award the contract for the carpet installation not to exceed the amount of \$94,888.

Chairman Bunn stated that he would entertain a motion to approve Director Fleck's request and confirmation by staff that the vendor meets all mandatory requirements.

**Secretary Scott made a motion to approve and authorize Director Fleck to award a contract for carpet installation to the lowest bidder in an amount not to exceed \$94,888. The motion was seconded by Dominique Ranieri. The motion was adopted.**

9. ***Legislative Update*** – Director Fleck informed the Board that the legislative session has begun. Both the Senate and House Pension committees have asked that the CPRB do a presentation on the basics of retirement systems which he will be doing that later today. Director Fleck briefly reviewed the bills on the Senate Pension Committee’s agenda. Chairman Bunn inquired whether one of the bills would affect compliance with federal regulations. Director Fleck explained to the members that it would not.

10. ***WV State Police Disability Experience Annual Report***- Director Fleck stated that this report is required by statute and is submitted to the Governor’s office annually. He explained that this report is to give an actual experience of the disability situation in State Police. Director Fleck stated that the number of Plan A disability retirees decreased from 87-84 and the number of Plan B disability retirees increased from 16 to 17.

*The West Virginia State Police Disability Experience Annual Report is located behind tab #2 of the Board materials.*

11. ***CPRB Accomplishments for 2022***- Director Fleck stated that each year he prepares a list of accomplishments for the Department of Administration. He reviewed several of the items behind tab # 2 which included quicker processing times, going live with member self-serve and the Record Retention Policy. Director Fleck thanked his staff at CPRB and stated that his staff is one of the best teams in state government and Chairman Bunn agreed.

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

#### **WVIMB Report – Craig Slaughter**

Chairman Bunn recognized Craig Slaughter, Executive Director of the WV Investment Management Board, to give an update on the Plans Investment Data.

Mr. Slaughter reviewed the effect of Modernization of Investment Options chart that shows as of September 30,2022 the total actual value was \$17,412,864,000, about \$9.5 billion more than it would have been had the state not modernized. He noted that September 30, 2022 was the 25<sup>th</sup> anniversary of the amendment to allow stocks in our investment program.

Mr. Slaughter indicated that returns through November 30, 2022, were up 3.4% but that December had been a bad month for investments. Mr. Slaughter said that earnings were still positive through the first 6 months and that long term return numbers are still good at 8.8% for 10 years. Mr. Slaughter asked if there were any questions from the Board. There were none.

#### **Empower Report – Chris Meadows**

Chairman Bunn recognized Chris Meadows of Empower Retirement who gave an update on the TDC Plan.

Mr. Meadows updated the Board on the TDC outreach efforts. He reported that he had conducted 29 educational counseling sessions and five distribution counseling sessions since the beginning of the year for a total of 34 sessions year to date. Mr. Meadows stated that the Winter newsletter had been sent to TDC participants and contains numerous articles including information on retirement readiness checklist, options for participants to give feedback and three things to remember in volatile markets.

Mr. Meadows updated the Board on the TDC investment performance. He stated the economic overview as of December 31, 2022 ended on a high note for investors with stocks and bonds being up for the quarter. Mr. Meadows noted that the S&P 500 finished the quarter up at 7.6%.

Mr. Meadows then asked if there were any questions. There were none.

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

#### **Tab 4: 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 reported that there are four pending administrative appeals which are summarized in her report, behind tab 4.

Ms. Legato updated the Board on the case of *Shelton v. CPRB* which is pending before the Human Rights Commission. She stated that Administrative Law Judge, Joan Parker entered a final order dismissing the case on January 4, 2023.

Ms. Legato informed the Board that there are two potential less than honorable service cases for the Board's consideration. She stated that Michael Headley is a Public Employees Retirement System (PERS) member and former sheriff and magistrate of Doddridge County, who entered a guilty plea to the felony offence of Falsifying Accounts in the Circuit Court of Doddridge County. On November 3, 2022 Judge Bedell sentenced him to 1-10 years in prison, suspended the sentence and placed him on supervised probation, with additional conditions. Ms. Legato recommended that the PERS membership and retirement annuity of Michael Headley be terminated for rendering less than honorable service.

Chairman Bunn stated that he would entertain a motion to approve the recommendation of in-house legal counsel, Jeaneen Legato regarding less than honorable service.

**Jeff Waybright made a motion that the Board approve the recommendation to terminate the PERS membership and retirement annuity of Michael Headley for rendering less than honorable service. Jeffrey Vallet seconded the motion. The motion was adopted.**

Ms. Legato noted that the second potential less than honorable service is that of Angela Lamb, a PERS retiree and the former assistant to Sheriff/ Magistrate Headley. Ms. Legato reported that Ms. Lamb entered guilty pleas to two felony offenses of Conspiracy (to commit fraudulent use of a purchasing card) in the Circuit Court of Doddridge County. On November 3, 2022 Judge Bedell sentenced Ms. Lamb to 1-5 years on each count to run consecutively, suspended her sentence and placed her on probation for 3 years with additional conditions. Ms. Legato recommended that the PERS membership and retirement annuity of Ms. Lamb be terminated for rendering less than honorable service.

Chairman Bunn stated that he would entertain a motion to approve the recommendation of in-house legal counsel, Jeaneen Legato regarding less than honorable service.

**Jeff Waybright made a motion that the Board approve the recommendation to terminate the PERS membership and retirement annuity of Angela Lamb for rendering less than honorable service. Bill Barker seconded the motion. The motion was adopted.**

Ms. Legato reported one new Circuit Court case Pamela McDaniel. Ms. Legato explained that at the November 29, 2022 meeting this Board terminated her membership in PERS for rendering less than honorable service. Ms. McDaniel requested by letter dated January 5, 2023 that the Board seek a judicial determination. There was a brief discussion with the Chairman about recent changes to rules governing jurisdiction over administrative appeals.

Finally, Ms. Legato informed the Board on the case of *Linda Birchfield Modad v. CPRB* that counsel, Lonnie Simmons, has filed for attorney's fees.

**Report from Outside Legal Counsel – Ronda Harvey**

Chairman Bunn recognized Ronda Harvey, Outside Legal Counsel, to give her report to the Board.

Ms. Harvey reported that the *Tackett* case, submitted in 2019, is still pending before Judge Webster. She suggested sending a letter and attach a copy of the proposed order as a gentle reminder. There was a brief discussion about other options should the situation not improve.

Ms. Harvey reported on another pending case *Clark/Division of Natural Resources (DNR)* case, opposing counsel, Lonnie Simmons, had been working with DNR to determine which employees had received a subsistence allowance. Ms. Harvey stated that she anticipates that opposing counsel will need to get an affidavit from each DNR Officer. Ms. Harvey stated that she reached out to Mr. Simmons before the meeting and didn't receive any new information.

Chairman Bunn inquired about the affidavit and if it would be sufficient and Ms. Harvey responded yes, it may be the only way to proceed in this matter.

*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 – Todd Murray**

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

Mr. Murray reported that the Committee had met on Tuesday, January 17, 2023 and 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 Total Non-Duty</b>	<b>Denied Total Non-Duty</b>	<b>Total</b>
<b>PERS</b>	<b>4</b>	<b>1</b>	<b>5</b>
<b>TDC</b>	<b>1</b>	<b>0</b>	<b>1</b>
<b>TRS</b>	<b>8</b>	<b>1</b>	<b>9</b>
<b>TOTALS</b>	<b>13</b>	<b>2</b>	<b>15</b>



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

**Mark Scott 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 Bill Barker. The motion was adopted.**

#### **Tab # 6 Actuarial Valuations – David Driscoll Buck Global, LLC**

Chairman Bunn recognized Mr. Driscoll to give the report on Actuarial Valuations.

David Driscoll presented the Funding Valuations for PERS, TRS, State Police Plan A, State Police Plan B and JRS. He reported that the July 1, 2022 valuation results produced higher unfunded liabilities and state costs for PERS, TRS and Public Safety plans (Plan A and Plan B), and JRS due to unfavorable returns on a market value basis.

Mr. Driscoll explained that because PERS & TRS use asset smoothing, they had lower unfunded liabilities, and the state costs due to favorable asset returns on an actuarial value basis. He stated that significant events in Fiscal Year 2022 that were reflected in the valuations were asset performance for the plan year ending June 30, 2022, which included investment returns that ranged from 6.53% to 6.16% (market value basis) was significantly below the assumed return of 7.25%. He reported that there were higher than expected deaths among members of PERS, TRS and JRS. In addition, there was notably more turnover than expected among members of PERS, TRS and Plan B.

Mr. Driscoll discussed the flat dollar pay increase effective July 1, 2022 for each of the five plans. He commented that the pay adjustments in JRS may increase retirement benefits for Tier 1 members because cost of living (COLA) increases are based on current salaries of sitting Judges. He added that the definition of actuarial equivalence was updated to reflect current interest and mortality assumptions when calculating early retirement benefits and optional payment forms for PERS, TRS and Plan B.

Mr. Driscoll indicated the Amortization Policies for Plan A, Plan B, and JRS were updated this year, and are effective July 1, 2023.

Mr. Driscoll proceeded to present the Valuation results for each of the following plans: PERS, TRS, Plan A, Plan B, and JRS.

First, He reviewed the PERS eligibility requirements and the member state contributions, member statistics and unfunded liability. that the State Police Plan B, the eligibility requirements for Plan B and discussed the state contribution. Mr. Driscoll pointed out that the unfunded liability of PERS was cut in

half from 2021 to 2022 because of the asset smoothing method. He concluded saying the PERS plan is 98.8 % funded as of July 1, 2022.

Next, Mr. Driscoll reviewed the TRS eligibility requirements, the member and state contributions, member statistics, assets, and unfunded liability. He noted that TRS also uses asset smoothing and is 78.4. funded as of July 1, 2022. Then, Mr. Driscoll reviewed the State Police Plan A eligibility requirements, the member and state contributions, member statistics, assets, and unfunded liability. He noted that Plan A does not use an asset smoothing method. So, the fund absorbed the full hit of the 2021/2022 Fiscal Year losses. He concluded by stating that although Plan A is no longer fully funded, it is still well funded at 95.1%.

Next, Mr. Driscoll reviewed the State Police Plan B eligibility requirements and the member state contributions, member statistics and unfunded liability. He noted that the State Police Plan B does not use an asset smoothing method. He concluded by stating that the funding status moved from 103.9 % to 86.4 this valuation term.

Lastly, Mr. Driscoll reviewed the JRS eligibility requirements and the member state contributions, member statistics and unfunded liability. He stated that JRS does not use the asset smoothing method. He concluded by stating that JRS is very well funded at 239.5 %.

Finally, Mr. Driscoll summarized the required disclosures and disclaimers. He then offered to answer questions from the Board members.

*The report of the Actuarial Consultants was located behind Tab #6 of the Board materials.*

#### **Tab #7: Recommended Employer Contribution Rates**

Chairman Bunn recognized Kenneth Woodson, Board Actuary, to present the *Recommendations for Contribution Rate Changes by the Board Actuary Effective July 1, 2023 based on July 1, 2022, Actuarial Valuation Results.*

Mr. Woodson stated that based on the valuations provided by Buck Consultants, the current Public Employees Retirement System (PERS) employer contribution rate is more than adequate. He recommended that the Board continue the PERS employer contribution rate at 9.0% of payroll, effective July 1, 2023.

Chairman Bunn stated he would entertain a motion to accept the recommendation.

**Mike McKown made a motion to accept the recommendation of the Board Actuary to continue the Public Employees Retirement System employer contribution rate at 9.0% of payroll, effective July 1, 2023. Todd Murray seconded the motion. The motion was adopted.**

The Board Actuary informed the Board that according to the actuarial valuations as of July 1, 2022, provided by Buck Consultants, the State Police Plan B is funded at 86.4%. Consequently, the statute requires the member contribution rate to increase from 12.0% of base payroll to 13.0% of base payroll when the plan funded ratio is below 90.0%. He stated that we don't require Board action on this because its automatic based on statute. Mr. Woodson stated that the FY 2023 actuarial valuation for Plan B shows that the current employer contribution rate produces a funding shortfall in employer contributions. Therefore, the Board Actuary recommended that the Board increase the State Police Plan B employer contribution rate from 20.0% of base payroll to 34.0% of base payroll effective July 1, 2023.

A member inquired about the reason for the significant increase in the employer contribution rate. The Board Actuary stated that the reason is two-fold: poor asset performance and the pay increase of \$10,000 for each state trooper.

Chairman Bunn stated he would entertain a motion to accept the recommendation.

**Jeffrey Vallet made a motion to accept the recommendation of the Board Actuary to increase the State Police Plan B employer contribution rate from 20.0% of base payroll to 34.0% of base payroll effective July 1, 2023. Mike McKown seconded the motion. The motion was adopted.**

Mr. Woodson informed the Board that according to the actuarial valuations as of July 1, 2022 provided by Buck Consultants, the Judges Retirement System (JRS) is funded at 239.5%. He explained that W. Va. Code requires that the JRS member contribution rate be a minimum of 7.0% of pay and a maximum of 10.5% of pay. Therefore, due to the overfunded status of the JRS plan, the Board Actuary recommended that the Board continue the member contribution rate of 7.0% of pay effective July 1, 2023.

Chairman Bunn stated he would entertain a motion to accept the recommendation.

**Mike McKown made a motion to accept the recommendation of the Board Actuary to continue the JRS member contribution rate at 7.0% of pay, effective July 1, 2023. Secretary Mark Scott seconded the motion. The motion was adopted.**

Mr. Woodson stated that based on the JRS plan funding percentage above 100%, the employer contribution should be no greater than the employer normal cost but not less than the expected member contribution for the year. He recommended that the Board reduce the JRS Employer Contribution due to 191.7% of Present Value of Future Benefits (PVFB) funding. The resulting employer contribution is the minimum ARC equal to the expected member contributions for FY 2024 of \$854,000.

Chairman Bunn stated he would entertain a motion to accept the recommendation.

**Jeffrey Vallet made a motion to accept the recommendation of the Board Actuary to the Board reduce the JRS Employer Contribution due to 191.7% of Present Value of Future Benefits (PVFB) funding. The resulting employer contribution is the minimum ARC equal to the expected member contributions for FY 2024 of \$854,000. Jeffrey Waybright seconded the motion. The motion was adopted.**

Chairman Bunn recognized Kenneth Woodson, Board Actuary, to present the *Actuarial Valuation Results as of July 1, 2022*.

Mr. Woodson presented the July 1, 2022 Deputy Sheriffs Retirement System (DSRS) Actuarial Funding Valuation prepared by the CPRB Actuarial Staff. He noted that W. Va. Code eliminated the DSRS employer contribution rate cap of 13.0% of payroll and replaced the cap with the amount set actuarially by the CPRB. Therefore, Mr. Woodson recommended that the Board increase the DSRS employer contribution rate from 13% of payroll to 16.0% of payroll beginning July 1, 2023.

Chairman Bunn stated he would entertain a motion to accept the recommendation.

**Mike McKown made a motion to accept the recommendation of the Board Actuary to set the DSRS employer contribution rate at 16.0% of payroll, effective July 1, 2023. Todd Murray seconded the motion. The motion was adopted.**

Mr. Woodson presented the July 1, 2022 Municipal Police and Firefighters Retirement System (MPFRS) Actuarial Funding Valuation prepared by the CPRB Actuarial Staff. He noted that the MPFRS benefit multiplier changed to match the benefit multiplier for EMSRS, which increased the UAAL for

MPFRS by about \$1.1 million. Mr. Woodson recommended a continuation of the employer contribution rate of 8.50% of payroll beginning July 1, 2023.

Chairman Bunn stated he would entertain a motion to accept the recommendation.

**Secretary Mark Scott made a motion to accept the recommendation of the Board Actuary to continue the MPFRS employer contribution rate at 8.50% of payroll, effective July 1, 2023.**

**Jeffrey Waybright seconded the motion. The motion was adopted.**

Mr. Woodson presented the July 1, 2022, Emergency Medical Services Retirement System (EMSRS) Actuarial Funding Valuation prepared by the CPRB Actuarial Staff. He noted that there were no changes from the prior year in the benefit provisions used in the July 1, 2022 funding valuation. Mr. Woodson recommended a continuation of the employer contribution rate of 9.50% of payroll beginning July 1, 2023.

Chairman Bunn stated he would entertain a motion to accept the recommendation.

**Secretary Mark Scott made a motion to accept the recommendation of the Board Actuary to continue the EMSRS employer contribution rate at 9.50% of payroll, effective July 1, 2023.**

**Jeffrey Vallet seconded the motion. The motion was adopted.**

Mr. Woodson presented the July 1, 2022 Natural Resources Police Officers Retirement System (NRPORS) Actuarial Funding Valuation prepared by the CPRB Actuarial Staff. He noted that the NRPORS actuarially determined employer contribution rate for FY 2024 is 12.58%, however, W. Va. Code limits the NRPORS employer contribution rate to 12.0% of payroll. Therefore, Mr. Woodson recommended a continuation of the employer contribution rate of 12.0% of payroll beginning July 1, 2023.

Chairman Bunn stated he would entertain a motion to accept the recommendation.

**Jeffrey Vallet made a motion to accept the recommendation of the Board Actuary to continue the NRPORS employer contribution rate at 12.0% of payroll, effective July 1, 2023. Woodrow Brogan seconded the motion. The motion was adopted.**

*The reports of the Board Actuary were located behind Tab #7 of the Board materials.*

**Tab # 8- Actuarial Factors for Plan Administration- Ken Woodson, Board Actuary**

Mr. Woodson reviewed each of the nine defined benefit plans administered by the CPRB. He noted that there have been no changes in state code, federal law, nor plan amendments that would require any change in actuarial factors or their underlying assumptions. Actuarial assumptions for administrative factors for PERS, TRS, State Police Plan B, DSRS, EMSRS, MPFRS and NRPORS were modified by the Board at the January 26, 2022 CPRB Board Meeting. These plans were modified to more closely align with the interest rate and mortality assumptions used in the most recent actuarial valuations for each plan. Chairman Bunn stated that there was no Board action needed.

**Tab 9: Old Business**

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

**Tab 10: 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 12:48 p.m.



**Joseph G. Bunn, Chairman**  
WV Consolidated Public Retirement Board

*mike McKawn, vice chairman*



**Jeffrey E. Fleck, Executive Director**  
WV Consolidated Public Retirement Board