

**MINUTES OF THE
WV CONSOLIDATED PUBLIC RETIRMENT BOARD
BOARD OF TRUSTEES MEETING
MEETING OF DECEMBER 18, 2019**

A meeting of the West Virginia Consolidated Public Retirement Board (CPRB), Board of Trustees, was held in the CPRB Conference Room at 4101 MacCorkle Avenue, SE, Charleston, West Virginia 25304, on Wednesday, December 18, 2019. The meeting was called to order at 11:00 a.m. by Chairman David Wyant.

Roll Call was taken.

Trustees present were:

David Wyant, Chairman
Mike Hall, *representing Governor James C. Justice, II*
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:

Michael Corsaro, Vice-Chairman
Michael Haney

A quorum was present.

Due notice had been posted.

Also in attendance were:

Jeffrey E. Fleck, CPRB, Executive Director
Terasa Miller, CPRB, Deputy Director
Nancy Butcher, CPRB, Executive Assistant
Jeaneen Legato, Esquire, CPRB, General Counsel
John Galloway, CPRB Chief Financial Officer
Ken Woodson, CPRB, Actuary
Tanner Mann, CPRB, Actuarial Analyst Trainee
Patricia Bowgren, I.T. Staff
Alysia Miller, CPRB Paralegal

John Beane, CPRB IT Manager
Caroline Brady, CPRB Employer Reporting Manager
Kim McCormick, CPRB Refunds
Sherry Stowers, CPRB Refunds
Gary Pullin, Esquire, Hearing Officer
Anne Charnock, Esquire, Hearing Officer
Ronda Harvey, Esquire, Bowles Rice
Craig Slaughter, WVIMB
Chris Meadows, Empower
Don Jurgens, Empower
Marilyn Collister, Empower
Evan Shamblin, Suttle & Stalnaker
Chris DeWeese, Suttle & Stalnaker

Tab 1: Approval of the November 13, 2019 Minutes

Mr. Vallet made a motion to approve the minutes of the November 13, 2019 meeting of the Board. The motion was seconded by Mr. Bird. The motion was adopted.

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

Tab 2: Reports of the Chairman and Executive Director

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

1. Executive Director Fleck reported on the Metric Chart. He stated that as of December 18th, 35 retirement applications had been completed for the month and that the average time to receive the first check was approximately 30 days.
2. Executive Director Fleck reviewed the TDC Statistics. He reported that the Plan had 4,207 participants at the beginning of 2019 and its current participants number 4,092. He went on to say that their assets were \$564,473,539.
3. Executive Director Fleck updated the Board on the Delinquent Employers. He stated that Green Acres continues to reimburse according to their agreement. He went on to say that Charleston-Kanawha Housing Authority was ready to submit their contributions.
4. Executive Director Fleck gave an update on the CPRB Outreach presentations. He reported that three seminars had been held at the CPRB offices and that Chris Meadows of Empower had been participating in those seminars for TDC participants.

5. Executive Director Fleck reviewed the November financials. He stated that the agency was at 32% of the overall budget and was at 72% of their budget year to date..
6. Executive Director Fleck announced that the agency had completed the 2019 Audited Financial Statements for Fiscal Years ended June 30, 2019 and June 30, 2018. He went on to say that the deadline for the report had been met and that the final report had no significant changes from the draft that had been presented and approved by the Board of Trustees at the October 2, 2019 meeting.

Mr. Fleck introduced Chris DeWeese of Suttle & Stalnaker who made a brief statement regarding the Audit. He announced that there were no significant changes from the draft and the Audit received a “Clean Opinion”, which is the best opinion to receive. He added that there were no compliance issues and the audit was completed on time. He announced that Suttle & Stalnaker’s report to the Board was included in the Audit materials.

7. Executive Director Fleck recommended the awarding of the Imaging System Maintenance RFQ to Revolution Data. Mr. Vallet made a motion to accept the recommendation. Mr. McVey seconded the motion. The motion was adopted.
8. Executive Director Fleck recommended the renewing of the contract with Alpha Technologies, Inc., who administers the telephone system. Mr. Bunn made a motion to accept the recommendation. Mr. Barker seconded the motion. The motion was adopted.
9. Executive Director Fleck recommended the renewing of the contract with InRule Technology, Inc., who provided the software maintenance for the agency. Mr. Bunn made a motion to accept the recommendation. Mr. Lynch seconded the motion. The motion was adopted.
10. Executive Director Fleck reminded the members of the Board that their Ethics Financial Disclosure was due by February 3, 2020.
11. Executive Director Fleck announced that the Board of Trustees meeting dates had been set and that a copy of those dates was provided to the members.

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

Tab #3: Plans Investment Data

Craig Slaughter, Executive Director of the West Virginia Investment Management Board (WVIMB), reviewed the Plan’s Investment Returns Preliminary Report for the period ending

October 31, 2019. He updated the Board on investment decisions that the West Virginia Investment Management Board had made regarding investments in China. He also discussed how trade tensions had impacted international trade. He also discussed asset liability studies and how they affect the investment portfolio. He answered questions from the Board members.

Chris Meadows of Empower Retirement gave an update on the TDC Outreach and Reality Investing. Mr. Meadows reported that since the November Board meeting his on-site meetings included locations in Harrison, Kanawha, Putnam and Upshur counties. He added that those meetings included 19 one-on-one reviews, for a year to date total of 87 total meetings and 1003 plan participants counselled.

Chris Meadows of Empower Retirement gave an update on the TDC Investment Data. He reported that there had not been a lot of change since the November update. He stated that there were some positive economic releases and that the 3rd Quarter GPD was up, inflation continues to be low and another 266,000 jobs had been added.

The Plans Investment Data reports 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, December 17, 2019 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
DSRS	1 1 Partial Duty)	0	1 1 Partial Duty)
PERS	12	0	12
TDC	1	0	1
TRS	9	0	9
TOTALS	22	0	22

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

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

Tab #5: Consideration of Appeal to Hearing Officer Gary Pullin

Hearing Officer Pullin reviewed the appeal of **Perry Palmer**, a participant of PERS. The issue presented in this appeal was whether the Applicant was a Tier I or a Tier II employee under PERS.

Based upon the Findings of Fact and Conclusions of Law, Hearing Officer Pullin recommended that Perry Palmer's appeal of the Board's decision to classify him as a Tier II employee under PERS be denied and the Board's decision be affirmed.

Mr. Vallet made a motion the Board adopt the recommendation of the Hearing Officer and deny the appeal of Perry Palmer. Ms. Stout seconded the motion. The motion was adopted.

The appeal information was located behind Tab #5 of the Board materials.

Executive Session

Chairman Wyant announced he would entertain a motion to go into Executive Session to discuss legal matters.

Mr. Bunn made a motion 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. Waybright. The motion was adopted.

The Board went into Executive Session at 11:10 a.m.

Chairman Wyant reconvened the Public Session of the December 18, 2019, meeting of the CPRB from Executive Session at 11:22 a.m.

Chairman Wyant 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 #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 reported on all current Administrative and Circuit Court matters.

She informed the Board that there were two "Potential Termination from PERS for Removal from Office" matters based on West Virginia Code §5-10-49.

Alton Skinner – A PERS member and former elected magistrate of Gilmer County. On October 21, 2019, a Non-Prosecution Agreement was filed with the Court in which Mr. Skinner

agreed to resign his position as Magistrate of Gilmer County, WV and entered an agreement with the West Virginia Judiciary Disciplinary Counsel to be publicly censured for violating numerous rules of the Code of Judicial Conduct for using his office as magistrate to steer business to a certain bonding agent, pay a \$1000 fine and costs of disciplinary proceedings, and cooperate with state and federal authorities in exchange for dismissal of an eight-count felony Indictment.

Ms. Legato recommended the Board terminate the PERS membership of Alton Skinner pursuant to West Virginia Code §5-10-49.

Mr. Lynch made a motion to accept the recommendation of Legal Counsel. Mr. Waybright seconded the motion. The motion was adopted.

Roger Clem – A PERS member and former elected magistrate of Lewis County. On October 21, 2019, a Non-Prosecution Agreement was filed with the Court in which Mr. Clem agreed to resign his position as Magistrate of Lewis County, WV and entered an agreement with the West Virginia Judiciary Disciplinary Counsel to be publicly censured for violating numerous rules of the Code of Judicial Conduct for using his office as magistrate to steer business to a certain bonding agent, pay a \$1000 fine and costs of disciplinary proceedings, and cooperate with state and federal authorities in exchange for dismissal of a seven-count felony Indictment.

Ms. Legato recommended the Board terminate the PERS membership of Roger Clem pursuant to West Virginia Code §5-10-49.

Mr. Vallet made a motion to accept the recommendation of Legal Counsel. Mr. Bird seconded the motion. The motion was adopted.

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. Ms. Harvey also reported that the DNR subsistence allowance case was still pending before Kanawha County Circuit Judge Jennifer Bailey. She added that the Allen E. Tackett case and the Adam Scott case were still pending before Kanawha County Circuit Judge Carrie Webster.

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

Tab #7: Reports and Minutes from Committees

Internal Audit Committee

Mr. McVey gave a report from the Internal Audit Committee. He stated that the Committee had met on Tuesday, December 17, 2019. He went on to say that the Committee had received reports from the Internal Auditor, Tina Baker, regarding the *Review of Contributions Withholding from Final Paychecks and Review of Compliance with Internal Audit Recommendations for CY 2016-2017*. He added that copies of both reports were provided in the Board materials. He made a motion that the Board accept the recommendation of the Committee to approve the reports. Mr. Murray seconded the motion. The motion was adopted.

Outside Legal Services Committee

Chairman Wyant gave a report of the Outside Legal Services Committee. He stated that the Committee had met on Wednesday, December 18, 2019. He went on to say that the Committee had directed that the CPRB staff prepare an Outside Legal Services RFP and present it to the Committee at its next meeting and then to the Board.

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

Tab #8: 2019 Risk Assessment Report for PERS

Chairman Wyant recognized Ken Woodson, CPRB Actuary to present the 2019 Risk Assessment Report for PERS. Mr. Woodson stated that the report covers some of the major risks that PERS may experience in the future. He added that the report is intended to satisfy the requirements of Actuarial Standards of Practice #51 regarding PERS. He stated that the assumptions used to project PERS liabilities are the same assumptions developed from the 2019 PERS experience study and that plan provisions and valuation data were from July 1, 2018 funding valuation. He noted that no action from the Board was required at this time.

The Risk Assessment included: the Current State of PERS, Maturity Metrics, Interest Rate Mismatch, Amortization Policy Risk, Layered Amortization Gains and Losses, Long-Term Average Annual Asset Returns and employer Contribution Rates, Asset Return Shock Scenarios, Active Population Decline Risk, Longevity Risk, Stochastic Analysis and Conclusion.

The 2019 PERS Risk Assessment Summary was located behind Tab #8 of the Board materials.

Tab #9: Old Business

Chairman Wyant inquired as to any old business to come before the Board. Executive Director Fleck announced that a change had been made to the 2020 Board meeting dates.

Tab #10: New Business

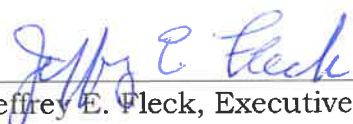
Chairman Wyant inquired as to any new business to come before the Board. None was heard.

Adjournment

There being no further business to come before the board, the meeting adjourned at 1:37 p.m.



David Wyant, Chairman
Consolidated Public Retirement Board



Jeffrey E. Fleck, Executive Director
Consolidated Public Retirement Board