

**MINUTES OF THE
WV CONSOLIDATED PUBLIC RETIREMENT BOARD
BOARD OF TRUSTEES MEETING
MEETING OF DECEMBER 19, 2018**

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 19, 2018. The meeting was called to order at 10:01 a.m. by Chairman David Wyant.

Roll Call was taken.

Trustees present were:

David Wyant, Esquire, Chairman
Mike Hall, *representing Governor James C. Justice, II*
Jeff Waybright, *representing Auditor John B. McCuskey*
Jennelle Jones, Esquire, *representing Deputy Cabinet Secretary Mary Jane Pickens*
Bill Barker
Andy Bird (*Arrived at 10:13 a.m.*)
Joseph Bunn, Esquire
Captain Michael Corsaro, Vice Chairman
Michael Haney
Mike McKown
Jeffrey Vallet
Trustees absent:
Diana Stout, Esquire, *representing Treasurer John Perdue*
Joe Lynch
D. Todd Murray

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
Melody Bailey, CPRB, Actuarial Analyst
Alysia Miller, CPRB, Paralegal

John Beane, CPRB, I.T. Manager
Patricia Bowgren, CPRB, I.T. Staff
Tammy Patton, CPRB I.T. Staff
Tim Abraham, CPRB, Chief Compliance Officer
Tina Baker, CPRB, Internal Auditor
Michael Ciarochi, CPRB, Accounting
James Bailey, Esquire, Counsel to the Governor
Craig Slaughter, Executive Director, WVIMB
Debbie Smith, Esquire, WVIMB
Chris Meadows, Empower Retirement
Anne Charnock, CPRB Hearing Officer
Ronda Harvey, Esquire, Bowles Rice
Ben Bailey, Esquire, Bailey & Glasser
Ray Franks, Esquire, Bailey & Glasser

Tab 1: Approval of the November 19, 2018 Meeting Minutes

Mr. Bunn made a motion to approve the minutes of the November 19, 2018, meeting of the Board. The motion was seconded by Mr. Waybright. 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 noted that 26 PERS retirements and 7 TRS retirements had already been processed in December. He went on to say that in November 156 PERS retirements and 33 TRS retirements has been processed.
2. Executive Director Fleck reported on the Teachers' Defined Contribution (TDC) plan. He informed the Board that the total participants in the plan are 4,219 and the total assets are \$509,356,698.
3. Executive Director Fleck discussed the Delinquent Employers Report. He reported that the Green Acres Center is current with their payments per their settlement agreement. He also reported that the City of Thomas and the Weston Sanitary Board were called and sent e-mails regarding their delinquencies. He stated that the Greenbrier County Board of Education's September and October payments were received on December 18, 2018.
4. Executive Director Fleck announced that a copy of the Department of Administration's *Quotes, Notes & Anecdotes* was included and featured an article about the Department's Employee of the Year Ceremony that would be held on December 20, 2018. He noted that

the CPRB's, Heather Drake, was a candidate for the Department of Administration's *2018 Employee of the Year*.

5. Executive Director Fleck gave an update on the November financials, noting again, that the agency was under budget thru November.
6. Executive Director Fleck gave a Legislative Update. He informed the Board that Legislative Session would begin on January 9, 2019. He stated that the Senate Committee on Finance budget presentation was scheduled for January 31, 2019, and the House of Delegates Committee on Finance budget presentation was scheduled for January 16, 2019.
7. Executive Director Fleck gave an update on the TPA for the TDC RFP. He reminded the Board members that the previous bidders had not met mandatory requirements and the RFP had been put back out to bid. He added that the current contract with Empower would expire before the new RFP was awarded so an Emergency Award to Empower thru June 30, 2019, had been approved by the Division of Purchasing.
8. Executive Director Fleck discussed the proposed 2019 Board meeting dates.

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 Captain Corsaro. The motion was adopted.

The Board went into Executive Session at 10:12 a.m.

Chairman Wyant reconvened the Public Session of the December 19, 2018, meeting of the CPRB from Executive Session at 11:11 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 and we would be returning to the Report of the Executive Director.

9. Executive Director Fleck reported that he would be working with staff to make some changes to the Memorandum of Understanding with the State Auditor's Office and then submitting it to that office.

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 Reports for the period ending October 31, 2018. He stated that stocks were down seven to eight percent in October and that each of the plans had lost approximately 4.2 percent and fiscal year to date we are down 2.5 percent but had regained some of that loss in November. He went on to say that many things play into the performance of the market and he didn’t expect a great year.

Chris Meadows of Empower Retirement gave an update on the TDC Educational meetings. He reported that his on-site visits included nine locations in three counties. Those counties were Ritchie, Marion and Kanawha where he conducted 18 in-person retirement reviews and 68 distribution and phone counselling sessions. He announced that he had conducted a total of 91 meetings with 1169 consultations thus far this year.

The Plans Investment Data reports were located behind Tab #3 of the Board materials.

Tab 4: Consideration of Current Disability Retirement Applications

Captain Corsaro reported the Disability Committee met on December 22, 2018, 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
PERS	5	0	5
TDC	2	0	2
TRS	7	0	7
TOTALS	14	0	14

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. Haney. The motion to accept and approve the recommendations carried.

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

Tab 5: Consideration of Appeals to Hearing Officer Anne B. Charnock

Hearing Officer Charnock reviewed the appeal of Michael T. Wentz and Richard Thompson,

who are members of PERS. The issue presented in this matter was whether the Board was correct to not accept sick leave accrued at a prior employer when calculating Applicants' retirement annuity through the Deputy Sheriff Retirement System.

The Hearing Officer recommended that the request of Michael T. Wentz and Richard Thompson that the Board accept sick leave accrued at a prior employer when calculating Applicant's retirement annuity through the Deputy Sheriff Retirement System be denied.

Mr. Vallet made a motion the Board adopt the recommendation of the Hearing Officer and deny the appeal of Michael T. Wentz and Richard Thompson. Mr. Waybright seconded the motion. The motion was adopted.

The appeals were located behind Tab #5.

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, Circuit Court and Less than Honorable Service (LTHS) cases.

Ms. Legato reviewed the Less than Honorable Service (LTHS) case of Allen H. Loughry, a member of PERS and a former Supreme Court Justice. She announced that on October 12, 2018, a jury in the Southern District Court of West Virginia convicted him of 11 federal felonies which included 7 counts of wire fraud, 1 count of mail fraud, 1 count of witness tampering and 2 counts of providing a false statement. He is scheduled to be sentenced by Judge Copenhaver on January 16, 2019.

Ms. Legato recommended the Board disqualify and terminate the PERS membership of Allen H. Loughry for rendering LTHS.

Mr. Bunn made a motion the Board accept the recommendation of Counsel to disqualify and terminate the PERS membership of Allen H. Loughry and to authorize counsel to proceed with LTHS proceedings against him. The motion was seconded by Mr. Bird. The motion was adopted.

The report of the Inside Legal Counsel was located behind Tab #6 of the Board materials.

Report from Outside Legal Counsel – Ronda Harvey

Ms. Harvey updated the Board on matters still pending the West Virginia Supreme Court of Appeals, the Circuit Courts of West Virginia and other administrative matters. She noted that the V.A.L.I.C. case had been discussed during Executive Session.

The report of the Outside Legal Counsel was located behind Tab #6 of the Board materials.

Tab 7: Committee Reports & Minutes

Internal Audit Committee

Jennelle Jones, representing the Department of Administration Deputy Cabinet Secretary Mary Jane Pickens, gave a report of the Internal Audit Committee meeting of Tuesday, December 18, 2018, which dealt with audit reports of the Internal Auditor.

The minutes of Internal Audit Committee and the minutes of the Disabilities Committee were located behind Tab #7 of the Board materials.

Tab #8. Proposed Legislation

Deputy Director Terasa Miller explained the legislation that was being proposed to the Legislature for consideration this year.

- The first bill relates to delinquent employers and the bill is in the final form from the 2018 Legislative Session.
- The second bill relates to employees of the educational services cooperatives and specifies that these employees will be participants of the State Teachers Retirement System or the State Teachers' Defined Contribution Retirement System.

She then answered questions from members of the Board.

Mr. Vallet made a motion to approve the legislation relating to delinquent employers and its presentation to the Governor's Office and then to the chairs of each of the Pensions Committees of the Legislature. Captain Corsaro seconded the motion. The motion was adopted.

Mr. Bunn made a motion to approve the legislation relating to the employees of the ESCs and its presentation to the Governor's Office and then to the chairs of each of the Pensions Committees of the Legislature. Mr. Waybright seconded the motion. The motion was adopted.

The proposed legislation was located behind Tab #8 of the Board materials.

Old Business

Chairman Wyant asked if there was any old business to bring before the Board. Executive Director Fleck stated that he had some information regarding computer programming costs associated with the implementation of any new retirement systems. He went on to say that the cost estimate for any programming would be approximately \$200,000 and that cost would be included in any fiscal note

any programming would be approximately \$200,000 and that cost would be included in any fiscal note request that involved forming any new retirement system(s).

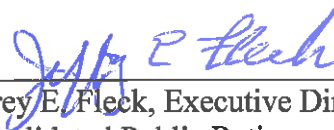
New Business

Chairman Wyant asked if there was any new business to bring before the Board. None was heard.

There being no further business to come before the Board, the meeting adjourned at 11:42 a.m.



Captain Michael Corsaro, Vice-Chairman
Consolidated Public Retirement Board



Jeffrey E. Fleck, Executive Director
Consolidated Public Retirement Board