

**MINUTES OF THE
WV CONSOLIDATED PUBLIC RETIREMENT BOARD
BOARD OF TRUSTEES MEETING
MEETING OF DECEMBER 21, 2016**

A meeting of the West Virginia Consolidated Public Retirement Board (CPRB) Board of Trustees was held at the Department of Environmental Protection (DEP) Building, 601 57th Street, SE, Charleston, West Virginia 25304, in the Dolly Sod Conference Room, and was called to order at 10:02 a.m., by Chairman David Wyant.

Roll Call was taken.

Trustees present were:

David Wyant, Esquire, Chairman
Christopher Stadelman, representing Governor *Earl Ray Tomblin*
Jeff Waybright, *representing Auditor Lisa Hopkins*
Diana Stout, Esquire, *representing Treasurer John Perdue*
Acting Cabinet Secretary Mary Jane Pickens
Andy Bird
Captain Michael Corsaro
Angela Crank
Michael Haney
D. Todd Murray
Jeffrey Vallet

Trustees absent were:

Joseph Bunn, Esquire
Mike McKown
Joe Lynch
David Stover

A quorum was present.

Due notice had been posted.

Also in attendance were:

Jeffrey E. Fleck, CPRB Executive Director
Terasa Miller, CPRB Deputy Director
Candi Kinslow, CPRB Executive Assistant
Jeaneen Legato, Esquire, CPRB General Counsel
Lenna Chambers, Esquire, Bowles Rice
Gary Pullin, CPRB Hearing Officer
Anne Charnock, CPRB Hearing Officer

John Beane, CPRB IT Manager
Darden Greene, CPRB Chief Financial Officer
Harry Mandel, CPRB Board Actuary
Melody Bailey, CPRB Actuary Assistant
Heather Drake, CPRB Administrative Assistant
Craig Slaughter, Executive Director, WVIMB
Eric Sanderson, Empower Retirement
Chris Meadows, Empower Retirement

Tab 1: Approval of the November 16, 2016 Meeting Minutes

Mr. Vallet made a motion to approve the minutes of the November 16, 2016 meeting of the CPRB. The motion was seconded by Ms. Stout. The motion carried unanimously.

The minutes are located behind Tab #1.

Tab 2: Reports of the Chairman and Executive Director

The Board heard the report from Jeffrey Fleck, Executive Director which included the following information:

1. Executive Director Fleck reported on the November 2016 Teachers' Retirement System (TRS) and Public Employees Retirement System (PERS) retirement and requested estimate numbers. He reported for November there were 80 TRS estimates and 59 retirements and in PERS there were 306 estimates and 99 retirements.
2. Executive Director Fleck announced the 2017 CPRB Board Meeting dates.
3. Executive Director Fleck reviewed the December 2016 Issue of Quotes, Notes & Anecdotes: He announced CPRB's, Chris Bush was the Employee of the Month for October, 2016 and was one of 12 nominees at the Department of Administration's December 2016 Employee of the Year Ceremony. Executive Director Fleck then reviewed the article in Quotes, Notes & Anecdotes, in which the CPRB was recognized by the Government Finance Officers Association (GFOA) and was awarded the Certificate of Achievement for Excellence in Financial Reporting.

Joe Bunn and Mike McKown arrived to the meeting at 10:04 a.m.

4. Executive Director Fleck reported on the Teachers' Defined Contribution (TDC)

2016 Educational Meetings. He announced there have been a total of 66 meetings so far this year in TDC, with 973 in attendance. He announced as of November 30, 2016, there were a total of 4,437 participants and \$429,711,883 in total assets in the TDC Realty Investing Statistics. Executive Director Fleck informed the Board that Empower Retirement has changed the name of the TDC Realty Investing Statistics to the Advisory Services Statistics.

5. Executive Director Fleck reported on the Delinquent Employers. He announced, as requested at the last Board Meeting from Board Members, we have included all other delinquent agencies to our Delinquent Employers list. He announced the Summers County Commission owes for both Employer and Employee Contributions. Green Acres Regional Center continues to make their contribution payments as per the agreement. The City of Thomas has caught up on their Employee Contributions, but we are still waiting for payment of their Employer Contributions. He announced that he contacted the National Association of State Retirement Administrators (NASRA) and asked them for information of how other states handle their delinquent employers. He announced that behind his Delinquent Employers list is feedback from them on how other states handle their delinquent agencies. Executive Director Fleck announced we do not have authority to remove an agency from a Plan. It would take legislative authority to do so.
6. Executive Director Fleck updated the Board on the COMPASS project. He announced the COMPASS project is now 85% complete of the overall project status. The User Acceptance Testing (UAT) will continue until we Go-Live with Phase 4B of the project for the Active Employees. The Employer Reporting is still set to go live March 31, 2017.
7. Executive Director Fleck reported on the Trooper Disability Experience Report. He reported that this study is required by Statute and is reported to the Governor every year for Troopers Plan A and Plan B. Executive Director Fleck announced that Plan A is a closed Plan; there are a total of 606 retirees in this Plan. He reported that Plan B has 611 active members and 9 regular retirees.
8. Executive Director Fleck reviewed the November 2016 financials with the Board. He announced that as of November 30, 2016, we are at 50.21% of budget.
9. Executive Director Fleck reviewed the CPRB's second floor reconfiguration and the build-out of the second floor offices. He announced all of the old cubicles have

been removed and Bossie Electric has already constructed several of the new offices. He informed the Board that Capitol Business Systems will be installing all of the new cubicles soon.

10. Executive Director Fleck reported on the Legislative Update. He reviewed the presentation that he made to the Pensions Committee and Joint Finance Committee during the Interims that took place December 4th through 6th. He informed the Board of the retirees by each county for FY2016 totaled 46,005. He then reported on the retiree income by county for FY2016; all counties combined totaled \$1.38 billion dollars.
11. Executive Director Fleck announced the 2016 CPRB Code Books are now available and we have provided each of you one to take with you today.

The Report of the Executive Director is located behind Tab #2.

Tab 3: Plans Investment Data

Craig Slaughter, Executive Director of the West Virginia Investment Management Board (WVIMB) reviewed the Plan’s Investment Returns for November 30, 2016.

Chris Meadows, of Empower Retirement informed the Board he had been on-site for 26 Meetings since July and out of those there were 143 plan participants in attendance. He announced he has provided 362 counseling sessions via telephone.

The Plan’s Investment Data reports are located behind Tab #3.

Tab 4: Consideration of Current Disability Retirement Applications

Mr. Murray reported the Disability Committee met on December 20, 2016. The Committee approved the staff’s recommendations and made the following recommendations to the Board for their approval.

System	Approved	Denied	Total
DSRS	1 – Partial Non-Duty	0	1 – Partial Non-Duty
PERS	8	0	8

TDC	1	0	1
TRS	5	0	5
TRS (TDC Transfers)	12	0	12
TOTAL	27	0	27

Mr. Bunn 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 carried unanimously.

The Disability list is located behind Tab #4.

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

Hearing Officer Pullin reviewed the appeal of Hershel Pierce, a member of the Public Employees Retirement System. The issue presented in this matter is whether West Virginia Code §5-10-24 authorizes an annuitant, upon the death of his spouse, to change his choice of benefit options, from Option A, a 100% joint and survivor annuity, to a straight life annuity.

Hearing Officer Pullin recommended that the request of Hershel Pierce to change his annuity option, from Option A to a straight life annuity be denied for the reasons set forth in the December 5, 2016 Recommended Decision.

Captain Corsaro made a motion to adopt the recommendation of the Hearing Officer and deny the appeal of Hershel Pierce. Mr. Bunn seconded the motion. The motion carried unanimously.

Consideration of Appeals to Hearing Officer – Anne Charnock

Hearing Officer Charnock reviewed the appeal of Sandra Sago, a member of the Teachers' Retirement System. The issue presented in this matter is the Applicant's appeal of the Board's decision to disallow 7.045 years of credit from 1987 – 1994, when her work week was four days a week or 160 days annually and not the full-time 200 days a year.

Hearing Officer Charnock recommended that the request of Sandra Sago for credit in the Teachers' Retirement System be denied for the reasons set forth in the December 5, 2016 Recommended Decision.

Mr. Bunn made a motion to adopt the recommendation of the Hearing Officer and deny the appeal of Sandra Sago. Mr. Bird seconded the motion. The motion carried unanimously.

The Consideration of the Appeals to the Hearing Officers are located behind Tab #5.

Tab 6: Legal Counsel Reports

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

Mr. Bunn made a motion the Board go into Executive Session to discuss a legal matter as allowed by West Virginia Code §6-9A-4. The motion was seconded by Mr. McKown. The motion carried unanimously. The Board went into Executive Session at 10:31 a.m.

Chairman Wyant reconvened the Public Session of the December 21, 2016 meeting of the CPRB from Executive Session at 10:48 a.m. Chairman Wyant announced the Board was in Executive Session to discuss a legal matter as allowed by West Virginia Code §6-9A-4. He announced there were no decisions made during Executive Session.

Chairman Wyant announced, we will now return to Tab# 6 on the Agenda, 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 Less than Honorable Service (LTHS) cases.

Ms. Legato updated the Board on the LTHS case of Mark Cowden. She announced on October 17, 2016, this DSRS retiree was convicted of one federal felony count of Deprivation of Rights while acting under color of law.

During the November 16, 2016 Board meeting, the Board voted to terminate Mr. Cowden's DSRS membership for rendering *less than honorable service*. She announced that by letter dated November 30, 2016 (received December 6, 2016), Mr. Cowden, by counsel, Michael Edward Nogay, requested a Judicial Determination of the Board's decision.

Ms. Legato updated the Board on the case of *Ollie Hunting v. CPRB*. She announced on

October 7, 2016, we filled a brief in support of our petition for appeal. On November 21, 2016, Mr. Hunting's new counsel, David Tyson, requested additional time to file a brief. On November 28, 2016, the Supreme Court entered an *Amended Scheduling Order* which gives opposing counsel until January 5, 2017 to file a response brief and we have until January 25, 2017 to file a reply brief.

Ms. Legato updated the Board on the case of *Joseph Talbot v. CPRB*. She announced she received a call yesterday, December 20, 2016, from Mr. Talbot's Counsel, Dan Hardway. He requested that the Board award interest to Mr. Talbot on the Circuit Court ruling that we received from Judge Alsop in October 2016.

Ms. Legato announced it was her recommendation to the Board that the Statute prohibits the award of interest in an administrative appeal and that the Board should not award interest in this case.

Chairman Wyant asked the Board if they wanted to take any action on the Talbot case. None was heard.

The report of the In-House Legal Counsel is located behind Tab # 6.

Report from Outside Legal Counsel – Lenna Chambers

Lenna Chambers, Outside Legal Counsel with Bowles Rice, reported to the Board on all pending legal matters before the Circuit Court, Supreme Court, U.S. District Court, U.S. Bankruptcy Courts and Administrative and QDRO matters.

Ms. Chambers updated the Board on the case of *Allen E. Tackett v. CPRB*. She announced that nothing has changed since the update from the last Board meeting.

The report of Outside Legal Counsel is located behind Tab #6.

Tab 7: Other, Old Business

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

Tab 8: Other, New Business

Chairman Wyant asked if there was any new business to bring before the Board.

Executive Director Fleck announced this Board Meeting represents the 20th Anniversary of Chairman Wyant's service as Chairman to the Consolidated Public Retirement Board of Trustees. He announced that Chairman Wyant is one of the longest serving Chairmen of any of the public pension plans in the country. Executive Director Fleck thanked Chairman Wyant for all of his years of service to this Board; this is a significant milestone. He announced his appreciation for Chairman Wyant's wonderful leadership over all of these years.

Chairman Wyant reported he was grateful for the kind remarks.

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

Chairman Wyant adjourned the December 21, 2016 meeting of the West Virginia Consolidated Public Retirement Board (CPRB) at 10:54 a.m.



David Wyant, Chairman
Consolidated Public Retirement Board



Jeffrey E. Fleck, Executive Director
Consolidated Public Retirement Board