

**MINUTES OF THE
WV CONSOLIDATED PUBLIC RETIREMENT BOARD
BOARD OF TRUSTEES MEETING
MEETING OF DECEMBER 8, 2021**

A meeting of the West Virginia Consolidated Public Retirement Board, Board of Trustees (“CPRB”), Board of Trustees, was held on Wednesday, December 8, 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 10:02 a.m. by Joseph G. Bunn, Chair.

Roll Call:

Trustees participating:

Joseph G. Bunn, Chair

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

Mark D. Scott, Cabinet Secretary, Department of Administration

Bill Barker

Daniel Cart

Larry Cole

Mike McKown

Beth Morgan

David Nelson

Jeffrey Vallet

Trustees absent:

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

Sarah Canterbury, Esquire, *representing State Treasurer Riley Moore*

Rhonda Bolyard

D. Todd Murray

Reginald Patterson

A quorum was present.

Others present:

Jeffrey E. Fleck, CPRB Executive Director

Nancy Butcher, CPRB Executive Assistant

Jeanen Legato, CPRB General Counsel

Ken Woodson, CPRB Actuary
Haley Perry, CPRB Actuarial Analyst
Patricia Bowgren, CPRB IT Staff
Alysia Miller, CPRB Paralegal
John Galloway, CPRB Chief Financial Officer
Tina Baker, CPRB Internal Auditor
Tim Abraham, CPRB Compliance Officer
Michael Ciarochi, CPRB, Accounting
Craig Slaughter, Executive Director, WVIMB
Chris Meadows, Empower
Ronda Harvey, Esquire, Bowles Rice
Anne Charnock, Hearing Examiner
Phil Kabler, Charleston Gazette

Tab 1: Approval of the December 8, 2021 Minutes

Mr. Vallet made a motion that the Board approve the minutes of the December 8, 2021 meeting of the Board. The motion was seconded by Mr. Barker. 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. *CPRB Metric Chart* - Mr. Fleck said that the retirement section had processed 147 PERS retirement applications and 21 TRS retirement since November 1st.and 11 retirements had been received and were being processed since the report was run. He added that statistics for benefits estimates as well as death and refund applications were included in the Metric Chart.
2. *Quotes, Notes & Anecdotes* – Mr. Fleck informed the members that a copy of the latest edition of Quotes, Notes & Anecdotes was included in the meeting materials. He said that there was an article about the Employee of the Year which included Alysia Miller, CPRB Paralegal, who was a candidate for the Department of Administration’s Employee of the Year Award, which would be announced on Thursday, December 9th. He went on to say that there was an article about the Government Finance Officers Association (GFOA) Award for Outstanding Achievement in Popular Annual Financial Reporting (PAFR) that CPRB received. He added that the award was received because of the great work of the accounting section, which is led by John Galloway, CPRB’s Chief Financial Officer.
3. *TDC Statistics* - He reported that the TDC Plan had 3,681 participants, and its assets were \$700,227,132.
4. *Delinquent Employers* – Director Fleck commented that Green Acres Rec. Center was the only employer on the report and that they continue to reimburse according to their agreement.

5. *2021 Agency Accomplishments* – Mr. Fleck reviewed accomplishments that the agency had experienced in the past year. Some of the accomplishments he mentioned were the return of staff to the building in June, reopening of the building to customers in July, the processing of 2,825 new retirements and 5,937 retirement estimates during 2021, receipt of three financial reporting awards and other accomplishments.
6. *November Financials* – Mr. Fleck stated that the November financials showed that the agency was at 69 percent of its YTD Actual budget.
7. *Legislative Update* – Mr. Fleck gave an update on discussions with the Legislature regarding possible changes to some of the retirement plans. He said that the agency had been working with the Legislature’s Joint Committee on Pensions providing information for the possible creation of a Tier 3 for PERS.
8. *2021 Public Pension Standards Award for Funding & Administration* – Mr. Fleck explained that the Agency had received the Public Pension Coordinating Council’s 2021 Public Pension Standards Award for Funding and Administration. He added that this award is presented in recognition of meeting professional standards for plan funding and administration as set forth in the Public Pension Standards.
9. *2022 Meeting Dates* – Mr. Fleck stated that a copy of the 2022 Board of Trustees meeting dates had been included with the board materials. He added that Fiduciary Training was set for the November 30th meeting date.

Report of the Chairman

Chairman Bunn welcomed new members to the Board, Mark D. Scott, the new Cabinet Secretary for the Department of Administration replacing Mary Jane Pickens who was the Acting Cabinet Secretary and Beth Morgan representing the Teachers Retirement System replacing Andy Bird. He also thanked Ms. Pickens and Mr. Bird for their service and representation on the Board of Trustees. He then announced new committee appointments as follows:

Executive Director & Actuary Review Committee

Joe Bunn replacing Mary Jane Pickens who served as Chair of the Committee
 Cabinet Secretary Mark D. Scott replacing Andy Bird

Investment Committee

Cabinet Secretary Mark D. Scott replacing Mary Jane Pickens
 Beth Morgan replacing Andy Bird

Outside Legal Services Committee

Cabinet Secretary Mark D. Scott replacing Mary Jane Pickens

WVIMB Representatives Committee

Reggie Patterson replacing Andy Bird

Chairman Bunn also announced that he was forming a new Ad Hoc committee to address the issue of the location of the agency. He named the following to the newly formed Relocation Committee:

Joe Bunn, Chair

Mark D. Scott, Cabinet Secretary of the Department of Administration

A. Garner Marks

Sarah Canterbury

Mike McKown

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

Tab #3: Plans Investment Data

Chairman Bunn recognized Craig Slaughter, Executive Director of the West Virginia Investment Management Board (WVIMB). Mr. Slaughter reviewed the Plan's Investment Returns Preliminary Report for the period ending October 31, 2021. He reported that investment returns were at 2.7 percent for the month, 2.1 percent for the FYTD, 10.5 percent for the 10-year average and 8.5 percent for the 20-year average.

Chris Meadows of Empower Retirement gave an update on the TDC Outreach and Reality Investing. Mr. Meadows stated that he had conducted 859 counseling sessions and there had been 357 distributions for a total of 1216 counselling and distribution sessions for the year.

Mr. Meadows reported that a TDC Fall Newsletter 2021 had been sent to each of the TDC participants as well as the National Retirement Security Month mailer.

Mr. Meadows also updated the Board on the TDC Investment Data. He reported that stocks seemed to be gaining in the fourth quarter and that the new COVID variant does not seem to be affecting the markets as much as previous variants.

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.

Tab #4: Appeals for Consideration – Anne Charnock

Hearing Officer Charnock reviewed the appeal of **Eric McFarland**, a participant of the West Virginia State Police Retirement System (Plan B). The issue before the Board was whether Mr. McFarland can purchase military service credit for the twenty-two months, he served on active duty with the Army Reserves although the statutory time period in which to buy this military service credit expired.

Based upon the Findings of Fact and Conclusions of Law, Hearing Officer Charnock recommended that Mr. McFarland's appeal of the Board's decision to deny him the opportunity to purchase military service be affirmed and thus, his appeal be denied.

Mr. Vallet made a motion that the Board adopt the recommendation of the Hearing Officer and deny the appeal of Eric McFarland. Mr. Barker seconded the motion. The motion was adopted.

The report of the Hearing Officer was located behind Tab #4 of the Board materials.

Tab #5: 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 updated the Board on all pending legal matters. She reported on all current Administrative, Circuit Court and Supreme Court cases.

Report from Outside Legal Counsel – Ronda Harvey

Chairman Bunn recognized Ronda Harvey, Outside Legal Counsel, to give her report to the Board. Ms. Harvey updated the Board on all Administrative, Circuit Court and Supreme Court cases.

The reports of the In-House and Outside Legal Counsel were located behind Tab #5 of the Board materials.

Tab #6: 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, December 7, 2021. He informed the Board that Tina Baker, CPRB Internal Auditor, had presented the Delinquent Contributions Audit Review and added that the Committee recommended the acceptance of the audit results.

Mr. McKown made a motion that the Board accept the Delinquent Contributions Audit as recommended by the Accounting & Audit Committee. Mr. Vallet seconded the motion. The motion was adopted.

Mr. McKown stated that Ms. Baker had also presented the CY 2022 Internal Audit Compliance Review to the Committee and that the Committee recommended approval of that Compliance Review.

Mr. McKown made a motion that the Board approve the recommendation of the Accounting & Audit Committee to accept the CY 2022 Internal Audit Compliance Review. Mr. Cole seconded the motion. The motion was adopted.

Mr. McKown informed the Board that Ms. Baker then presented to the Accounting and Audit Committee the CY2022 Planned Audits schedule. He added that the Committee recommended the Board's approval of the planned audits schedule.

Mr. McKown made a motion that the Board approve the recommendation of the Accounting and Audit Committee to accept the CY2022 Planned Audits schedule. Mr. Barker seconded the motion. The motion was adopted.

Mr. McKown also informed the Board that John Galloway, CPRB Chief Financial Officer, had presented the Annual Comprehensive Financial Report (ACFR) for FY ended June 30, 2021. He added that the Committee recommended the Board's approval of the release of the ACFR, with the right to make technical, non-substantive changes.

Mr. McKown made a motion that the Board approve the recommendation of the Accounting and Audit Committee to approve the release of the ACFR, with the right to make technical, non-substantive changes. Mr. Scott seconded the motion. The motion was adopted.

Disability Review Committee – Larry Cole

Mr. Bunn recognized Mr. Cole to give the report of the Disability Review Committee. Mr. Cole reported that the Disability Committee met on Tuesday, December 7, 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:

System	Approved	Denied	Total
PERS	7 – Total Non-Duty	1 – Total Duty 3 – Total Non-Duty	11
TDC	1 – Total Non-Duty	0	1
TRS	2 – Total Non-Duty	0	2
TOTALS	10	4	14

Mr. Cole made a motion that the Board accept and approve the Disability Committee's recommendation concerning the disability retirement applications. The motion was seconded by Mr. Barker. The motion to accept and approve the recommendation was adopted.

Investment Committee – Jeff Vallet

Chairman Bunn recognized Jeff Vallet, to give a report from the Investment Committee. Mr. Vallet reported that the Committee met on Tuesday, December 7, 2021. He informed the Board that the Committee had reviewed the TDC Investment Policy Statement and added that the Committee recommended the approval of the Policy Statement.

Mr. Vallet made a motion that the Board adopt the Investment Policy Statement as recommended by the Investment Committee. Mr. Scott seconded the motion. The motion was adopted.

Mr. Vallet stated that there were only two members of the Investment Committee present at the December 7, 2021 meeting that were at the August 31, 2021 meeting and that the Committee had approved the minutes of the August 31, 2021 meeting, subject to the approval of the Board, therefore, he was recommending that the Board approved the minutes of the August 31, 2021 meeting of the Investment Committee.

Mr. Vallet made a motion that the Board approve the minutes of the August 31, 2021 Investment Committee. Mr. McKown seconded the motion. The motion was adopted.

Tab #6: NRPORS Initial Amortization Policy – Ken Woodson

Chairman Bunn recognized Ken Woodson, CPRB Actuary, to explain the NRPORS Initial Amortization Policy. Mr. Woodson stated that consistent with the initial amortization policy for other defined benefit plans administered by the CPRB, like DSRS, EMSRS, and MPFRS, he recommended that the Board approve the NRPORS amortization policy as presented. He then answered questions from the members.

Mr. Vallet made a motion to approve the NRPORS Initial Amortization Policy as explained by Mr. Woodson. Mr. Scott seconded the motion. The motion was adopted.

Tab #8 Old Business


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

Tab #9: 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 11:17 a.m.



Joseph G. Bunn, Chairman
Consolidated Public Retirement Board



Jeffrey E. Fleck, Executive Director
Consolidated Public Retirement Board