

**MINUTES OF THE
WV CONSOLIDATED PUBLIC RETIREMENT BOARD
BOARD OF TRUSTEES MEETING
MEETING OF JULY 18, 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, July 18, 2018. The meeting was called to order at 10:00 a.m. by Chairman David Wyant.

Roll Call was taken.

Trustees present were:

David Wyant, Esquire, Chairman
Ann Urling, *representing Governor James C. Justice, II*
Diana Stout, Esquire, *representing Treasurer John Perdue*
Jeff Waybright, *representing Auditor John B. McCuskey*
Cabinet Secretary John A. Myers
Bill Barker
Andy Bird
Joseph Bunn, Esquire
Captain Michael Corsaro, Vice Chairman
Joe Lynch
Mike McKown
D. Todd Murray
Jeffrey Vallet

Trustees absent were:

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
Jeaneen Legato, Esquire, CPRB General Counsel
John Galloway, CPRB Chief Financial Officer
Nancy Butcher, CPRB Executive Assistant
Ken Woodson, CPRB Actuary

Melody Bailey, CPRB Actuarial Assistant
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
Craig Slaughter, Executive Director, WVIMB
Chris Meadows, Empower Retirement
Marybeth Daubenspeck, Empower Retirement
Jennah Ross, Empower
Don Jurgen, Empower
Ronda Harvey, Esquire, Bowles Rice
Gary Pullin, Esquire, Hearing Officer
Anne Charnock, Esquire, Hearing Officer

Tab 1: Approval of the June 6, 2018 Meeting Minutes

Mr. Vallet made a motion to approve the minutes of the June 6, 2018, meeting of the CPRB.

The motion was seconded by Mr. Murray. Motion 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 the agency has processed 113 of the July 1, 2018 retirement applications thus far, and the number of days processing applications continues to decrease as well as the amount of time until the first retirement check is received.
2. Executive Director Fleck reported that the Teachers' Defined Contribution (TDC) assets have increased.
3. Executive Director Fleck reported on the Delinquent Employers. He announced that the Green Acres Center is current with their payments per their settlement agreement. He also reported that four other employers are currently delinquent with the Grafton-Taylor County Health Department being the most delinquent. He stated that the CPRB staff is working with each of those employers to resolve the delinquencies.
4. Executive Director Fleck reviewed the DSRS Change Letter regarding the increase

in the benefit multiplier that was sent to retirees of that plan.

5. Executive Director Fleck reported that nine employees of the Utah Retirement System were here to view the new COMPASS system as they are in the process of updating their computer system.
6. Executive Director Fleck gave an update of the June financials, noting that the agency is under budget.
7. Executive Director Fleck gave an update on the telephone system. He stated that the last part of the switchover would be taking place in the next few days and this update will allow the agency to review length of hold time, review conversations for training purposes and other features.
8. Executive Director Fleck also gave an update on the Third Party Administrator Request For Proposals for the TDC plan. He explained that the contract is being reviewed by the Division of Purchasing.
9. Executive Director Fleck stated that the Bowles Rice contract is up for renewal and would be discussed in Executive Session.
10. Executive Director gave a Legislative Update. He explained that the Legislative Auditor has requested information on the agency's ability to investigate, specifically "Less Than Honorable Service." He also stated that the Pensions Committee will be meeting during the September interims and the agency has been asked to provide an actuarial analysis on the proposed DNR Officer Retirement Plan.
11. Executive Director Fleck gave an update on the RESA to ESC transfer.

The Report of the Executive Director were 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 through May 31, 2018. He noted that the numbers were up 9.3 percent for the fiscal year. He also noted that domestic stocks are up while international stocks are down. The fiscal year should end in the high 8 percent range.

Chris Meadows of Empower Retirement reported that he has held eight site visits in eight different counties, including five BOEs in Lincoln, Grant, Hardy, Hampshire and Mineral counties.

He held 27 plan participants reviews in person and 109 plan participants reviews over the telephone for a year total of 52 site visits and reviews with 692 plan participants.

Marybeth Daubenspeck of Empower Retirement introduced Don Jurgens, the new Managing Director of the service team for the West Virginia TDC Plan and Jenna Ross, Senior Client Services Manager of the West Virginia TDC Plan.

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

Tab 4: Consideration of Current Disability Retirement Applications

Mr. Murray reported the Disability Committee met on July 17, 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
DSRS	1 – Total Non-Duty	0	1 – Total Non-Duty
EMSRS	2 - w/ 1-Total Duty & 1-Total Non-Duty	0	2 – w/ 1-Total Duty & 1-Total Non-Duty
PERS	8 – w/ 1-Total Duty	0	8 – w/ 1 Total Duty
TDC	1	0	1
TRS	12	0	12
TOTAL	24	0	24

Captain Corsaro made a motion the Board accept and approve the Disability Committee’s recommendations concerning the disability retirement applications. The motion was seconded by Mr. Bunn. Motion adopted. (Mr. Lynch recused himself from voting on the EMSRS disability application.)

The Disability information was located behind Tab #4 of the Board materials.

Tab 5: Consideration of Appeals to Hearing Officer Gary Pullin

Hearing Officer Pullin reviewed the appeal of Tammy Williamson, an individual who was a member of TRS, but whose position was eliminated as a result of the employer’s reduction in

force, resulting in the individual becoming unemployed, and who thereafter, submitted a request for withdrawal of retirement contributions while in an unemployed status, but returned to employment within TRS while the request was being processed by the Board, as to whether she was entitled to have the request granted.

Hearing Officer Pullin recommended that Tammy Williamson's appeal of the Board's decision to deny her request for a refund of her accumulated retirement contributions be denied.

Secretary Myers made a motion the Board adopt the recommendation of the Hearing Officer and deny the appeal of Tammy Williamson. Mr. Bunn seconded the motion. Motion adopted.

Chairman Wyant announced he would entertain a motion to go into Executive Session to discuss an appeal that contained medical issues, legal matters and contractual matters.

Mr. Bunn made a motion the Board go into Executive Session to discuss an appeal that contained medical issues, legal matters and contractual matters as allowed by West Virginia Code §6-9A-4. The motion was seconded by Mr. Bird. Motion adopted.

The Board went into Executive Session at 10:25 a.m.

Chairman Wyant reconvened the Public Session of the July 18, 2018, meeting of the CPRB from Executive Session at 11:45 a.m.

Chairman Wyant announced the Board was in Executive Session to discuss an appeal that contained medical issues, legal matters and contractual matters as allowed by West Virginia Code §6-9A-4. He announced there were no decisions made during Executive Session.

Consideration of Appeals to Hearing Officer Anne Charnock

Hearing Officer Charnock's review of the appeal of Beverly J. Mayle was discussed during Executive Session due to medical issues.

The recommendation of the hearing officer was to grant the appeal of the appellant to allow her disability application to be processed by the retirement board.

Diana Stout made a motion to adopt the recommendation of the hearing officer. Jeff Waybright seconded the motion. During discussion on the motion, Joe Bunn stated that he did not think the Board should adopt the recommendation of the hearing officer because the appellant had failed to satisfy the statutory requirements for disability retirement. He went on to say that he did

not deny that she was harmed but that this was not the appropriate tribunal to which she should seek remedy. Vote taken by a show of hands after uncertainty of the voice vote was 6 yeas/7 nays. Motion rejected.

Joe Bunn made a motion to deny the recommendation of the hearing officer and to deny the appeal of the appellant. Jeff Vallet seconded the motion. Vote taken by a show of hands after uncertainty of the voice vote was 7 yeas/6 nays. Motion adopted.

The Appeals for Consideration documents were located behind Tab #5 of the Board materials.

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

Ms. Legato reviewed the Less than Honorable Service (LTHS) case of Patrick Springman, a PERS member and former employee of the WV Parkways Authority. She stated that on June 13, 2018, he was adjudged guilty of the felony offense of embezzlement and ordered to pay restitution in the amount of \$41,048.00 to the Parkways Authority.

Ms. Legato recommended the Board disqualify and terminate the PERS membership of Patrick Springman for LTHS.

Captain Corsaro made a motion the Board accept the recommendation of Counsel to disqualify and terminate the PERS membership of Patrick Springman and to authorize counsel to proceed with LTHS proceedings against him. The motion was seconded by Mr. Lynch. Motion adopted.

Ms. Legato reviewed the Less than Honorable Service (LTHS) case of Joel Ziler, a TRS member and former Jefferson High School music teacher and choral director. On February 12, 2018, he pleaded guilty to two felony charges of soliciting a minor via a computer in Berkeley County Circuit Court. Mr. Ziler was also charged with two other felonies involving sexual abuse by a parent, guardian, custodian or person of trust but those charges were dismissed as part of the plea deal. On May 7, 2018, the conviction order was filed.

Ms. Legato recommended the Board disqualify and terminate the TRS membership of Joel Ziler for LTHS.

Mr. Vallet made a motion the Board accept the recommendation of Counsel to disqualify and terminate the TRS membership of Joel Ziler and to authorize counsel to proceed with LTHS proceedings against him. The motion was seconded by Mr. Bird. Motion adopted.

Ms. Legato updated the Board on the Mark Cowden case. She reported that Judge Kaufman granted the Petition to terminate benefits for rendering Less Than Honorable Service.

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 the Thomas Ward v. CPRB case. She reported that by letter dated June 21, 2018, from John Feuchtenberger, the claimant was unable to perfect the appeal and on June 25, 2018, the Supreme Court of Appeals entered an Order dismissing the case.

Ms. Harvey reported that there are two cases pending in Circuit Court but nothing has happened thus far on either case. She updated the Board on both cases; the Allen E. Tackett v. W.Va. Consol. Pub. Ret. Bd. case regarding Mr. Tackett's attorney's fees. As of this date, nothing has been filed. The other matter involves subsistence pay for current and former DNR officers. A hearing has been scheduled for August 28, 2018, at 2:00 p.m. on the Motion for Return of Appeal Fees.

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

Tab 7: Committee Reports & Minutes

Internal Audit Committee

Cabinet Secretary Myers reported that the Internal Audit Committee met on Tuesday, July 17, 2018. At the request of management, the Internal Auditor reviewed the accuracy of the workers' compensation service credit calculations to ensure that the COMPASS system is computing it correctly. The Committee recommends that the Board accept the Internal Auditor's report.

Mr. Vallet made a motion to accept the report of the Internal Auditor regarding the review of the accuracy of the Workers' Compensation Service Credit Purchase Processes. Mr. Barker

seconded the motion. Motion adopted.

The minutes of the Disability and Internal Audit Committees and the Report of the Internal Auditor were located behind Tab #7 of the Board materials.

Tab 8: Other, Old Business

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


Mr. Fleck announced that the renewal of the Bowles Rice contract is due and that it had been discussed during Executive Session.

Mr. Bunn made a motion to authorize the Executive Director to execute the renewal contract. Cabinet Secretary Myers seconded the motion. Motion adopted.

Tab 9: Other, 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 12:02 p.m.



David Wyant, Chairman
Consolidated Public Retirement Board



Jeffrey E. Fleck, Executive Director
Consolidated Public Retirement Board