

**MINUTES OF THE
WV CONSOLIDATED PUBLIC RETIREMENT BOARD
BOARD OF TRUSTEES MEETING
MEETING OF AUGUST 29, 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, August 29, 2018. The meeting was called to order at 10:05 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
Michael Haney
Joe Lynch
Mike McKown
D. Todd Murray
Jeffrey Vallet

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 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
Heather Drake, CPRB, Mission/Vision Committee
Marie Shelton, CPRB, Mission/Vision Committee
Emily Simpson, CPRB, Mission/Vision Committee
Hannah Potter, CPRB, Mission/Vision Committee
Steve Wolfe, CPRB, Mission/Vision Committee
Craig Slaughter, Executive Director, WVIMB
Chris Meadows, Empower Retirement
Don Jurgen, Empower Retirement
Ronda Harvey, Esquire, Bowles Rice
Tom Zacharias, Deloitte

Tab 1: Approval of the July 18, 2018 Meeting Minutes

Mr. Vallet made a motion to approve the minutes of the July 18, 2018, meeting of the Board. The motion was seconded by Mr. Haney. 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 this year, on July 1, there were almost 900 employee retirements and approximately 90 percent of those have been completed. He pointed out that the number of days processing applications continues to decrease as well as the amount of time until the first retirement check is received. He went on to say that it is the goal of the agency that this process take less than 30 days to complete.
2. Executive Director Fleck reported on the Teachers' Defined Contribution (TDC) plan. He informed the Board that the total participants in the plan is 4,258 and the total assets are \$520,563,232.
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 have not made their June payments. He went on to say that each of the employers have been contacted regarding their delinquent payment.
4. Executive Director Fleck mentioned that the August edition of the Department of Administration's *Notes, Quotes and Anecdotes* had an article about the Utah Retirement System visiting the CPRB.
5. Executive Director Fleck reported on the Contribution letter that the Board Actuary, submits

to the State Budget Office to inform them, for their budget projections for the following year, what we anticipate the contribution requirements to be. Ken Woodson, the Board Actuary, explained the anticipated rates for the PERS, TRS, SP Plan A & B, and JRS contributions. Mr. Woodson answered questions from the Board members.

6. Executive Director Fleck gave an update of the July financials, noting again, that the agency is under budget.
7. Executive Director Fleck gave a Legislative Update. He explained the desire of Division of Natural Resources (DNR) officers to have their own pension plan and reported that the Board Actuary put together a preliminary fiscal impact and will present it to the Legislative Joint Committee on Pensions and Retirement during the September interim meetings. He also informed the Board that the Legislative Auditor has requested information on the Senior Status Judges and that an audit by the Legislative Auditor on this issue is planned.
8. Executive Director Fleck gave an update on the Teachers' Defined Contribution Plan (TDC) Third Party Administrator (TPA) Request for Proposals (RFP) and that it is expected the RFP will be released within the week.
9. Executive Director Fleck gave an update on the Mission/Vision Statement. He introduced the members of staff that comprised the Mission/Vision Committee. Those members of staff were Heather Drake, Marie Shelton, Alysia Miller, Emily Simpson, Hannah Potter, Steve Wolfe, Kinsey Fox and Tim Abraham.
10. Executive Director Fleck announced that CPRB had been awarded the Government Finance Officers Association's (GFAO) Certificate of Excellence in Financial Reporting for the FY2017 CPRB Comprehensive Annual Financial Report (CAFR).

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 June 30, 2018. He noted that the investment returns were up 9.3 percent for the fiscal year. He also noted that international stocks have suffered, domestic stocks have done well. He then answered questions from the Board members.

Chris Meadows of Empower Retirement gave an update on the TDC Educational meetings. He reported that he had visited Raleigh, Fayette, Cabell and Nicholas County Boards of Education where he met with a total of 18 participants. He informed the Board that he had also visited eight other locations and

met with 12 plan participants. He went on to say that to date he has conducted 62 meetings and counseled 641 plan participants.

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 August 28, 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
PERS	10	1	11
TDC	1	0	1
TRS	10	1	11
TOTAL	22	2	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. Haney. Motion adopted.

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

Tab 5: Legal Counsel Reports

Report of In-House Legal Counsel – Jeaneen Legato

Due to the absence of Jeaneen Legato, In-House Legal Counsel, Mr. Fleck presented her report to the Board on all pending legal matters. He reported on all current Administrative cases.

He also announced that Ms. Legato ask that he point out that there are no legal matters pending the Circuit Court or the West Virginia Supreme Court of Appeals.

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 *IMB and CPRB v. VALIC*. She also updated the Board on matters pending Circuit Court which included the *Allen E. Tackett v. W.Va. Consol. Pub. Ret. Bd.* case and the Department of Natural Resources Law Enforcement Officers matter.

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

Tab 7: Committee Reports & Minutes

Accounting and Investment Committee

Joe Bunn, Chair of the Accounting and Investment Committee reported that the Accounting and Investment Committee met on Tuesday, August 28, and Wednesday, August 29, 2018. He commented on the report by Suttle and Stalnaker, Certified Public Accountants, on their audit of the schedules of employer allocations, and other matters. He also commented on the limited deficiencies that were noted in the report. Mr. Bunn made a motion for the Board to accept the report. Cabinet Secretary Myers seconded. Motion adopted. Mr. Bunn also noted that the total audit should be completed in October.

Mr. Bunn also reported that the A & I Committee has had under watch the Franklin Mutual Discovery Z fund and the Committee is recommending that the Board approve the replacement of the Franklin Mutual Discovery Z fund with the American Fund New Perspective R6. Mr. Vallet made a motion to approve the replacement and Mr. Bird seconded. Motion adopted.

The minutes of the Disability and Internal Audit Committees and the Report by Suttle and Stalnaker 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. None was heard.

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 10:48 a.m.



David Wyant, Chairman
Consolidated Public Retirement Board



Jeffrey E. Fleck, Executive Director
Consolidated Public Retirement Board