

**MINUTES OF THE
WV CONSOLIDATED PUBLIC RETIRMENT BOARD
BOARD OF TRUSTEES MEETING
MEETING OF APRIL 24, 2019**

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, April 24, 2019. The meeting was called to order at 10:01 a.m. by Chairman David Wyant.

Roll Call was taken.

Trustees present were:

David Wyant, Chairman
Captain Michael Corsaro, Vice-Chairman
Mike Hall, *representing Governor James C. Justice, II*
Jeff Waybright, *representing Auditor John B. McCuskey*
Cabinet Secretary Allan L. McVey
Bill Barker
Andy Bird
Joe Bunn
Mike McKown
Jeffrey Vallet

Trustees absent:

Diana Stout
Michael Haney
Joe Lynch
D. Todd Murray

A quorum was present.

Due notice had been posted.

Also in attendance were:

Jeffrey E. Fleck, CPRB, Executive Director
Teresa 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, I.T. Staff
Tammy Patton, I.T. Staff
Sharon Whittaker, CPRB, Administrative Assistant
Tim Abraham, CPRB, Compliance Officer
Tina Baker, CPRB, Internal Auditor
Ronda Harvey, Esquire, Bowles Rice
Craig Slaughter, Executive Director, WVIMB
Chris Meadows, Empower
Chris Deweese, Suttle & Stalnaker
Evan Shamblin, Suttle & Stalnaker

Tab 1: Approval of the March 6, 2019 Minutes

Mr. Vallet made a motion to approve the minutes of the March 6, 2019 meeting of the Board. The motion was seconded by Mr. Bunn. 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 stated that during the month of March, 51 PERS retirements had been completed and 18 TRS retirements were completed. He also stated that from April 1, 2018 to April 1, 2019, the CPRB had processed 1916 refunds and the average time to complete a refund is 28 days. He reported that thru conversations with the Department of Education, approximately 421 teachers will be retiring on July 1, 2019. Executive Director Fleck reported on the TDC Empower Statistics. He stated that the plan had 4,173 participants and their assets were \$528,428,711.
2. Executive Director Fleck updated the Board on the Delinquent Employers. He stated that Green Acres continues to reimburse according to their agreement. He went on to say that there are six PERS employers and one TRS employer delinquent. He reported

that Greenbrier County Board of Education and Red Sulphur Public Service District had resolved their delinquencies.

3. Executive Director Fleck gave an update on O.A.S.I.S. He stated that CPRB staff continues to meet with O.A.S.I.S. staff regarding paper checks and the schedule of payment dates.
4. Executive Director Fleck updated the Board members on the March Financials. He reported that at the end of March the agency was at 73.5% of its YTD budget.
5. Executive Director Fleck gave a Legislative update. He reported on the Legislative Lunch and Learn and announced that the West Virginia Consolidated Public Retirement Board is the first retirement agency in the nation to have legislation dealing specifically with delinquent employers.
6. Executive Director gave an update on the renewal of the Buck Contract at the same terms and conditions as the current contract. The renewal will be for one year.

Captain Corsaro requested that information for all the plans be included in the Metric Chart in the future.

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 February 28, 2019. He stated the month of February ended with a 1.4 percent increase and to date investments were up 1.3 percent overall. He went on to state that March would be an approximate increase of 2.5 percent. He added that he was guardedly optimistic thru the end of the year.

Chris Meadows of Empower Retirement gave an update on the TDC Educational meetings. He reported that his on-site visits included 12 locations in Kanawha and Putnam counties. He went on to say that he had conducted 13 on-site individual sessions. He reported that year to date he has conducted a total of 30 meetings with 276 distributions and other counseling sessions.

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

Tab #4: Consideration of the Current Disability Retirement Applications

Captain Corsaro reported that the Disability Committee met on Tuesday, April 23, 2019, 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
EMSRS	1-Total Duty	1-Total Duty	2
PERS	9	2	11
TDC	2	0	2
TRS	9	1	10
TOTALS	21	4	25

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. Bird. The motion to accept and approve the recommendations was adopted.

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

Executive Session

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 Mr. Waybright. The motion was adopted.

The Board went into Executive Session at 10:37 a.m.

Chairman Wyant reconvened the Public Session of the April 24, 2019, meeting of the CPRB from Executive Session at 10:49 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.

Tab #5: Legal Counsel Reports

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 and Circuit Court matters.

Ms. Legato updated the Board on the appeal of former Justice Allen Loughry's *Less Than Honorable* case and on three recent appeals that the Board had denied that were now pending appeal decisions in the Kanawha County Circuit Court.

Ms. Legato reviewed the Less than Honorable Service (LTHS) case of Julie Yeager, a member Kanawha County Magistrate. Ms. Yeager was a member of the PERS with 12 years and 7 months of service. On March 15, 2019, Ms. Yeager entered a *Plea of Guilty* to the felony offenses of Embezzlement and Fraudulent Schemes. In March 15, 2019, Judge Bloom entered an Order accepting her plea of guilty and adjudging Ms. Yeager guilty. Her sentencing was set for April 26, 2019.

Ms. Legato recommended the Board disqualify and terminate the PERS membership of Julie Yeager for rendering LTHS.

Captain Corsaro made a motion the Board accept the recommendation of Counsel to disqualify and terminate the PERS membership of Julie Yeager and to authorize counsel to proceed with LTHS proceedings against her. Mr. Barker seconded the motion. The motion was adopted.

The report of the In-House Legal Counsel was located behind Tab #5 of the Board materials.

Report from Outside Legal Counsel – Ronda Harvey

Ms. Harvey updated the Board on matters still pending the Circuit Courts of West Virginia and other administrative matters. She updated the Board on the *Allen E. Tackett v. WVCPRB* case. She reported that CPRB is waiting for a decision of Judge Webster with regard to CPRB's *Motion to Dismiss*.

Ms. Harvey also reported to the Board that the DNR subsistence allowance as pensionable compensation in PERS has been fully briefed and is still pending before Kanawha County Circuit Judge Jennifer Bailey.

The report of the Outside Legal Counsel was located behind Tab #5 of the Board materials.

Tab #6: Reports and Minutes from Committees

Accounting and Investment Committee

Mr. Bunn gave a report from the Accounting and Investment Committee. He stated that the committee recommended an extension of the Empower contract, at the same terms and conditions, from June 30, 2019 to December 31, 2019. Mr. Vallet made a motion the Board accept and adopt the recommendation. Mr. Bird seconded the motion. The motion was adopted.

Mr. Bunn also gave an update on the TDC TPA RFP. He stated that the RFP has been revised and the Accounting and Investment Committee has recommended the approval of the revisions and recommended the letting of the revised RFP. Captain Corsaro made a motion to accept and adopt the recommendations of the committee. Mr. Barker seconded the motion. The motion was adopted.

Mr. Bunn explained the status of the Suttle and Stalnaker contract and explained that the Accounting and Investment Committee recommended the renewal of the Suttle and Stalnaker contact at the same terms and conditions. Mr. Vallet made a motion that the Board accept and adopt the recommendation of the committee. Mr. Barker seconded the motion. The motion was adopted.

Mr. Bunn explained the Employer Allocation Schedules (GASB 68) for all eight plans. He stated that all the reports were clean and went on to say that the Accounting and Investment Committee recommended the acceptance of the reports. Captain Corsaro made a motion to accept the recommendation of the committee. Mr. Bird seconded the motion. The motion was adopted.

Internal Audit Committee

Cabinet Secretary McVey gave a report from the Internal Audit Committee meeting. He stated an issue that was discussed was the O.A.S.I.S. Data Testing Report that was done by the CPRB Internal Auditor, Tina Baker. He commented briefly on the Hardship Pay issue and stated that discussion of this issue would continue with the Auditor's Office. He recognized Captain Corsaro who gave a more in-depth explanation on the issue as a result of the O.A.S.I.S. testing.

Captain Corsaro made a motion that the Board accept recommendation of the Internal Audit Committee to accept the report on the O.A.S.I.S. Data testing. Mr. Vallet seconded the motion. The motion was adopted.

Cabinet Secretary McVey gave a report on the DSRS and TRS Disability Medical Recertifications Report that was done by the CPRB Internal Auditor, Tina Baker. He provided the Summary of Findings.

Mr. Vallet made a motion that the Board accept the recommendation of the Internal Audit Committee to accept the DRS and TRS Disability Medical Recertifications Report. Mr. Bunn seconded the motion. The motion was adopted.

Cabinet Secretary McVey presented the Updated 2019 Audit Plan. He explained the changes that were made to the Audit Plan.

Mr. Bunn made a motion that the Board accept the recommendation of the Internal Audit Committee to accept the Updated 2019 Audit Plan. Mr. McKown seconded the motion. The motion was adopted.

West Virginia Investment Management Board Representative Committee

Cabinet Secretary McVey gave the report for the WVIMB Representatives. He stated that copies of the applications for the representatives were included in the Board materials. He reported that the WVIMB Representatives Committee recommended the appointment of the following to be representatives to the WVIMB:

- Melissa Garretson Smith representing PERS;
- Tony Lautar, Jr. representing TRS;
- Thomas A. Bedell representing JRS;
- William J. Scott representing TPR Plan A;
- Christopher Joe White representing TPR Plan B;
- David D. Gentry representing DSRS;
- And, Mark P. Kerns representing EMSRS.

Captain Corsaro made a motion that the Board accept the recommendation of the WVIMB Committee to appoint the previously mentioned to be representatives to the WVIMB. Mr. Waybright seconded the motion. The motion was adopted.

The reports and minutes of the Committees were located behind Tab #6 of the Board materials.

Tab #7: Old Business

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

Tab #8: New Business

Chairman Wyant inquired as to any new business to come before the Board. None was heard.

There being no further business to come before the board, the meeting adjourned at 11:15 a.m.



David Wyant, Chairman
Consolidated Public Retirement Board



Jeffrey E. Fleck, Executive Director
Consolidated Public Retirement Board