

**MINUTES OF THE
WV CONSOLIDATED PUBLIC RETIREMENT BOARD
BOARD OF TRUSTEES MEETING
MEETING OF JANUARY 29, 2025**

A meeting of the West Virginia Consolidated Public Retirement Board (“CPRB”), Board of Trustees, was held on Wednesday, January 29, 2025, at 601 57th Street SE, Charleston, West Virginia, 25302. Due notice had been posted.

Call to Order

The meeting was called to order at 11:00 a.m. by Joseph Bunn, Chairman.

Roll Call:

Trustees participating:

Joseph G. Bunn, Chairman
Mike McKown, Vice Chairman
Garner Marks, *representing Governor Patrick Morrisey*
Lindsay Marchio, Deputy Counsel, *representing State Treasurer Larry Pack*
Eric Householder, Cabinet Secretary, *Department of Administration*
Michael Cook, *representing State Auditor Mark Hunt*
Rhonda Bolyard
Woodrow Brogan
Daniel Cart
Michael Corsaro
Beth Morgan
D. Todd Murray
Dominique Ranieri
Jeff Vallet

Trustees absent:

Bill Barker
Larry Cole
Brad Mankins

A quorum was present.

Others present:

Jeffrey E. Fleck, CPRB Executive Director
Kimberly Pauley, CPRB Executive Assistant

Terasa Miller, CPRB Deputy Director
Jeaneen Legato, Esquire, CPRB General Counsel
Alysia Miller, CPRB Paralegal
Patricia Bowgren, CPRB IT Staff
Christine Fernandes, CPRB CIO
Tina Baker, CPRB Internal Auditor
Ken Woodson Jr., CPRB Board Actuary
David Arreaga, Actuarial Analyst Trainee
David Driscoll, Gallagher Consultants
Elizabeth Wiley, Gallagher Consultants
Gabriele Wohl, Bowles Rice
Craig Slaughter, WVIMB
Chris Meadows, Empower
Elizabeth Cooper, CPRB Chief Financial Officer
Michael Ciarochi, CPRB, Financial Reporting Specialist
Lisa Trump, CPRB Manager
Rhea Smith, CPRB Retirement Advisor
Heather Holtsclaw, CPRB, Retirement section
Hannah Spaulding, CPRB, Retirement section

TAB 1
APPROVAL OF DECEMBER 11, 2024, MINUTES

Chairman Bunn stated that he would entertain a motion to approve the minutes of the December 11, 2024, meeting of the CPRB Board of Trustees.

Mr. Vallet made a motion that the Board approve the minutes of the December 11, 2024, meeting minutes. Mr. Corsaro seconded the motion. The motion was adopted.

The minutes were located behind Tab #1 of the Board materials.

TAB 2
REPORT OF THE EXECUTIVE DIRECTOR

Chairman Bunn recognized Jeffrey Fleck, Executive Director, to give his report to the Board which included the following information:

1. ***New Employee-*** Director Fleck welcomed Heather Holtsclaw, Hannah Spaulding, and Rhea Smith to CPRB retirement section.
2. ***Quotes Notes & Anecdotes*** – Director Fleck informed the Board that CPRB has two employees nominated for employee of the year and recognized Tracy Batman and Lindsey Atkins for earning the nomination.
3. ***CPRB Operational Metrics*** – Director Fleck reviewed the metric charts for January 2025 and 2024. He announced that since last year, there has been improvement in

the average processing time of retirements. He stated that the average number of days for the first check has been reduced from 37 days to 31 days in PERS and in TRS it was cut from 46 days to 38 days. Director Fleck thanked the CPRB staff for their efforts in getting these retirements processed so efficiently.

4. ***TDC Statistics*** – Director Fleck stated that the TDC Plan, which has been closed to new enrollees since 2005 and has 3,444 participants and the total plan assets were \$750,730,159 as of December 31, 2024.
5. ***Delinquent Employers*** – Director Fleck reported that there were no delinquent employers.
6. ***Monthly Financials*** – Director Fleck stated that financial reports for the months of October and November are in his report. He reported that the period ending December 30, 2024, shows that the agency is operating at 82% of its budget.
7. ***Award-*** Director Fleck was proud to announce that for the fourth year in a row the CPRB has won the Public Pension Standard Award.
8. ***2024 Reminder on Financial Disclosure-*** Director Fleck reminded all Board members that the Financial Disclosures with the Ethics Commission need to be completed by February 1, 2025.
9. ***West Virginia State Police Disability Annual Report FY 2024-*** Director Fleck reviewed the Annual Report and informed the Board that there are no active members in the State Police Plan A now. He then reviewed Plan B and stated that there are 557 active members and that the number of retirees has increased from 137 in FY 2023 to 169 in FY 2024.
10. ***Contract renewal -Tri-state Occupational Medicine Inc.-*** Director Fleck reviewed the contract and stated that this is the company that does our disability exams, and it is a one-year contract renewal with the same terms and conditions.

Chairman Bunn stated that he would entertain a motion to accept and approve the recommendation of the Director Fleck.

Ms. Marchio made a motion that the Board accept and approve the one-year contract renewal with Tri-state Occupational Medicine Inc. The motion was seconded by Mr. McKown. The motion was adopted.

Director Fleck offered to answer questions from the Board. There were none.

Chairman Bunn reviewed the Committees with the Board members and made a few minor changes by replacing Jeff Waybright with Lindsay Marchio to Chair the Accounting & Audit Committee. He added Secretary Householder to the Investment & TDC Committee and Dominique Ranieri to the Disability Review Committee. He thanked everyone for their time and effort they put in while serving on these Committees and the Board of Trustees.

The Executive Directors report is located behind tab #2 of the Board materials.

TAB 3
PLANS INVESTMENT DATA

WVIMB Report—Craig Slaughter

Chairman Bunn recognized Craig Slaughter of the WV Investment Management Board to give an update on the Plans Investment Data.

Mr. Slaughter started by reviewing the returns as of November 30, 2024, saying that November was a very good month we were up 2 ½% and that put the FY return up 5.3% but unfortunately December was not so good, and numbers dipped down to 1.3% for December and 3.9% for the FY return. Mr. Slaughter stated that the federal reserve system took a “wait and see” approach which was twofold with a new President taking office and the economy doing better than they anticipated and it proved to be more resilient than originally thought. Mr. Slaughter explained that the economy slowed but did not go into a recession. Mr. Slaughter reviewed the investment data and the performance report for the board.

Mr. Slaughter asked if there were any questions from the Board. There was a brief discussion among the Board members.

Empower Report—Chris Meadows, Empower Retirement

Chairman Bunn recognized Chris Meadows of Empower Retirement who gave an update on the TDC Plan. Mr. Meadows recognized Don Jurgens and offered him a chance to address the Board.

Mr. Meadows updated the Board on the TDC outreach sessions. He reported that he had conducted 52 educational counseling sessions and 26 distribution counseling sessions since the beginning of the year for a total of 78 sessions year to date.

Mr. Meadows reviewed all mailings that went out to the plan participants, including the annual survey mailer and he reviewed the slides for the 4Q 2024 12 steps to a successful retirement for the Board members.

Mr. Meadows updated the Board on the TDC investment performance. He began by saying that despite giving back some gains at the end of the year, investors saw double digit gains in 2024 across all domestic equity sectors.

He informed the Board that economic data continued strong and produced some volatility at the end of the year, as interest rates will be higher for longer than they anticipated. Mr. Meadows reviewed the economic overview as of December 31, 2024. He mentioned that the S&P 500 increased 25% for the year with mid-caps up 15% and small-caps up 11% for the year as well.

Mr. Meadows stated that foreign stocks saw gains for the year. Mr. Meadows informed the Board that the funds in the lineup continue to perform well.

Mr. Meadows then asked if there were any questions. There were none.

The Plans Investment Data, TDC Educational Meeting reports, TDC Outreach materials and the TDC Investment Report were located behind Tab #3 of the Board materials.

TAB 4 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 informed the Board that there was one new update for the case of Mr. Phillip Driggs (deceased). She stated that CPRB filed an interpleader in the Circuit Court of Kanawha County asking the court to determine the rightful beneficiary of Mr. Driggs' PERS pre-retirement death benefit. She will keep the Board updated.

Ms. Legato updated the Board on the appeal of James Hendricks which is a TRS military service credit appeal. Mr. Hendricks is represented by Kimberly Dotson, The Masters Law Firm. Ms. Legato stated that on November 12, 2024, the court entered a scheduling order which requires the administrative record to be filed by December 2, 2024, and the petitioners brief to be filed by January 9, 2025, the hearing was continued due to inclement weather.

Ms. Legato informed the Board there were five Less Than Honorable Services to review today and gave a thorough review of what a Less Than Honorable Service is for our newly appointed Board members.

She began by saying that on March 1, 2022, correctional officers Mark Holden, Corey Snyder and Johnathan Walters conspired with other officers at Southern Regional Jail in Beaver WV to use unlawful force against an inmate to retaliate for the inmate's earlier attempt to leave his assigned pod. Officers Holden, Snyder, and Walters struck and injured the inmate while he was restrained and handcuffed and officers Jacob Boothe and Ashley Toney failed to intervene in the unlawful assault resulting in the inmate's death. Ms. Legato stated that the defendants then conspired to cover up the use of unlawful force. She went on to say on November 29, 2023, an eighteen count Indictment charging six individuals with various felony crimes relating to the workplace incident was filed in the US District Court. She stated that to this date five of the six defendants have pleaded guilty to one felony count each.

Ms. Legato recommended that the PERS membership and retirement annuity of Mark Holden be terminated for rendering Less Than Honorable Service.

Chairman Bunn stated that he would entertain a motion to approve the recommendation of in-house legal counsel, Jeaneen Legato regarding the PERS membership and retirement annuity of Mark Holden for rendering Less Than Honorable Service.

Mr. Vallet made a motion that the Board approve the recommendation to terminate the PERS membership and retirement annuity of Mark Holden for

rendering Less Than Honorable Service. Mr. Murray seconded the motion. The motion was adopted.

Ms. Legato recommended that the PERS membership and retirement annuity of Corey Snyder be terminated for rendering Less Than Honorable Service.

Chairman Bunn stated that he would entertain a motion to approve the recommendation of in-house legal counsel, Jeaneen Legato regarding the PERS membership and retirement annuity of Corey Snyder for rendering Less Than Honorable Service.

Mr. Corsaro made a motion that the Board approve the recommendation to terminate the PERS membership and retirement annuity of Corey Snyder for rendering Less Than Honorable Service. Ms. Marchio seconded the motion. The motion was adopted.

Ms. Legato recommended that the PERS membership and retirement annuity of Johnathan Walters be terminated for rendering Less Than Honorable Service.

Chairman Bunn stated that he would entertain a motion to approve the recommendation of in-house legal counsel, Jeaneen Legato regarding the PERS membership and retirement annuity of Johnathan Walters for rendering Less Than Honorable Service.

Mr. Cart made a motion that the Board approve the recommendation to terminate the PERS membership and retirement annuity of Johnathan Walters for rendering Less Than Honorable Service. Ms. Marchio seconded the motion. The motion was adopted.

Ms. Legato recommended that the PERS membership and retirement annuity of Jacob Boothe be terminated for rendering Less Than Honorable Service.

Chairman Bunn stated that he would entertain a motion to approve the recommendation of in-house legal counsel, Jeaneen Legato regarding the PERS membership and retirement annuity of Jacob Boothe for rendering Less Than Honorable Service.

Mr. Vallet made a motion that the Board approve the recommendation to terminate the PERS membership and retirement annuity of Jacob Boothe for rendering Less Than Honorable Service. Mr. Cart seconded the motion. The motion was adopted.

Ms. Legato recommended that the PERS membership and retirement annuity of Ashley Toney be terminated for rendering Less Than Honorable Service.

Chairman Bunn stated that he would entertain a motion to approve the recommendation of in-house legal counsel, Jeaneen Legato regarding the PERS membership and retirement annuity of Ashley Toney for rendering Less Than Honorable Service.

Mr. Corsaro made a motion that the Board approve the recommendation to terminate the PERS membership and retirement annuity of Ashley Toney for

rendering Less Than Honorable Service. Ms. Ranieri seconded the motion. The motion was adopted.

Ms. Legato then offered to answer questions. There were none.

Report from Outside Legal Counsel -Gabriele Wohl -Bowles Rice

Chairman Bunn recognized Gabriele Wohl, Outside Legal Counsel, to give her report to the Board.

Ms. Wohl reported on the ongoing longstanding litigation matters with pending case *Clark/Division of Natural Resources (DNR)*. Ms. Wohl stated that Judge Bailey entered a Certified Order on March 21, 2024, staying this matter until the certified questions have been decided by the Supreme Court of Appeals and a decision is certified back to Circuit Court. The certified question is fully briefed as of August 6, 2024, and is set for a hearing before the Supreme Court on March 5, 2025.

Ms. Wohl informed the Board that there is one administrative appeal pending. She stated that CPRB advised Hearing Officer Anne Charnock that Chet Burgess had requested an administrative hearing and provided her with a copy of his administrative file. The hearing took place on August 6, 2024, and Hearing Officer Charnock found in favor of CPRB. Burgess appealed this decision to the Intermediate Court of Appeals, and the Intermediate Court of appeals has entered a scheduling order, with all briefing to be completed by February 25, 2025.

Ms. Wohl closed by informing the Board that she has been meeting with Director Fleck and Deputy Director Miller and focusing on the proposed legislation and putting together a legislative agenda for the upcoming 2025 legislative session.

Ms. Wohl then offered to answer questions. There were none.

The reports of the In-House and Outside Legal Counsel were located behind Tab #4 of the Board materials.

TAB 5 COMMITTEE REPORTS

Disability Review Committee – Todd Murray

Chairman Bunn recognized Mr. Murray to give the report of the Disability Review Committee. Mr. Murray reported that the Committee had met on Tuesday, January 28, 2025. and made the following recommendations to the Board for their approval:

System	Approved Total Non-Duty	Denied Total Non-Duty	Total
PERS	1	0	1
TRS	2	0	2
TOTALS	3	0	3

Chairman Bunn stated that he would entertain a motion to accept the recommendation of the Disability Review Committee.

Ms. Marchio made a motion that the Board accept and approve the Disability Review Committee's recommendation concerning the disability retirement applications. The motion was seconded by Secretary Householder. The motion was adopted.

TAB 6 VALUATIONS

Actuarial Valuations – David Driscoll & Elizabeth Wiley- Gallagher Consultants

Chairman Bunn recognized Mr. Driscoll & Elizabeth Wiley to give the report on Annual Actuarial Valuations.

David Driscoll presented the Funding Valuations for PERS, TRS, State Police Plan A, State Police Plan B and JRS. He reported that the July 1, 2024, valuation results were particularly good. He stated that a large driver was favorable investment returns. He reviewed five plans: PERS, TRS and Public Safety plans (Plan A and Plan B), and JRS. He stated that all five state plans had great success due to favorable returns on a market value basis that exceeded the 7.25 rate of return.

Mr. Driscoll explained that PERS is now fully funded at 101.9%. He reviewed the TRS plan and reported that their demographic experience was slightly less favorable but overall had favorable experience for the year and he reviewed the tier 1 and tier 2 plans. He then reviewed the TRS eligibility requirements, the member and state contributions, member statistics, assets, and unfunded liability. He reported that the State Police Plan A eligibility requirements, the member and state contributions, member statistics, assets, and unfunded liability. He informed the Board that the State Police Plan A no longer has any active members in it and is funded effective July 1, 2024. Next, Mr. Driscoll reviewed the State Police Plan B eligibility requirements and the member state contributions, member statistics and unfunded liability. He noted that the State Police Plan B had a few data adjustments this year and he concluded by stating that the funding status is 90% this valuation term.

Lastly, Mr. Driscoll reviewed the JRS eligibility requirements and the member state contributions, member statistics and unfunded liability. He stated that JRS does not use the asset smoothing method. He concluded by stating that JRS is very well funded at 244.5%.

Finally, Mr. Driscoll summarized the required disclosures and disclaimers. He then offered to answer questions from the Board members.

Mr. Driscoll recognized Elizabeth Wiley to give an overview of the TRS Tier 1 & Tier 2 plans for the Board members. She reviewed members eligibility, basic benefit, normal retirement age for Tier 1 & Tier 2. Ms. Wiley informed the Board that the members' contributions were 6% of salaries. Ms. Wiley gave an overview of the JRS plan by explaining members' eligibility, basic benefits, and normal retirement age. She mentioned that judges get 75% of the highest 3-year average salary with no post-retirement increase. She reviewed the normal retirement age, the earliest being age 65 with 16 years of credited service.

Mr. Driscoll and Ms. Wiley then offered to answer questions. There were none.

The report of the Actuarial Consultants was located behind Tab #6 of the Board materials.

Tab #7: Recommended Employer Contribution Rates

Chairman Bunn recognized Kenneth Woodson, Board Actuary, to present the *Recommendations for Contribution Rate Changes by the Board Actuary Effective July 1, 2025 based on July 1, 2024, Actuarial Valuation Results.*

Mr. Woodson began by thanking David Driscoll and Elizabeth Wiley for all their work and presentations. Mr. Woodson stated that based on the valuations provided by Gallagher Consultants, the current Public Employees Retirement System (PERS) employer contribution rate is more than adequate. He recommended that the Board continue the PERS employer contribution rate at 9.0% of payroll, effective July 1, 2025.

Chairman Bunn stated he would entertain a motion to accept the recommendation.

Mike McKown made a motion to accept the recommendation of the Board Actuary to continue the Public Employees Retirement System employer contribution rate at 9.0% of payroll, effective July 1, 2025. Michael Corsaro seconded the motion. The motion was adopted.

Mr. Woodson informed the Board that according to the actuarial valuations as of July 1, 2024, provided by Gallagher Consultants, the State Police Plan B is funded at 90.1%. Consequently, the statute requires the member contribution rate to increase from 12.0% of base payroll to 13.0% of base payroll when the plan funded ratio is below 90.0%. He stated that we do not require Board action on this because it is automatic based on statute. Therefore, the Board Actuary recommended that the Board continue the State Police Plan B employer contribution rate at 34.0% of base payroll effective July 1, 2025.

Chairman Bunn stated he would entertain a motion to accept the recommendations.

Michael Corsaro made a motion to accept the recommendation of the Board Actuary to accept the member contribution rate at 12% of base payroll and continue the State Police Plan B employer contribution rate at 34.0% base payroll effective July 1, 2025. Lindsay Marchio seconded the motion. The motion was adopted.

Mr. Woodson informed the Board that according to the actuarial valuations as of July 1, 2024, provided by Gallagher Consultants, the Judges Retirement System (JRS) funded at 244.5%. He explained that WV code requires that the JRS member contribution rate be a minimum of 7.0% of pay and a maximum of 10.5% of pay. Therefore, due to the overfunded status of the JRS plan, the Board Actuary recommended that the Board continue the member contribution rate of 7.0% of pay effective July 1, 2025.

Mr. Woodson stated that based on the JRS plan funding percentage above 100%, the employer contribution should be no greater than the employer's normal cost but not less than the expected member contribution for the year. He recommended that the Board reduce the JRS Employer Contribution due to 184.6% of Present Value of Future Benefits (PVFB) funding. The resulting employer contribution is the minimum ARC equal to the expected member contributions for FY 2026 of \$1,247,000.

Chairman Bunn stated he would entertain a motion to accept the recommendations.

Michael Cook made a motion to accept the recommendation of the Board Actuary to the Board reduce the JRS Employer Contribution due to 184.6% of Present Value of Future Benefits (PVFB) funding. The resulting employer contribution is the minimum ARC equal to the expected member contributions for FY 2026 of \$1,247,000. Lindsay Marchio seconded the motion. The motion was adopted.

Chairman Bunn recognized Kenneth Woodson, Board Actuary, to present the Actuarial Valuation Results as of July 1, 2024. He reviewed the DSRS plan and explained to the Board that July 1, 2024, Actuarial Funding Valuation for the Deputy Sheriffs Retirement System (DSRS) was completed by the West Virginia Consolidated Public Retirement Board (CPRB) actuarial staff and was reviewed by the CPRB Board Actuary. For DSRS, the July 1, 2024, Actuarial Funding Valuation is presented to the CPRB to support the recommended required employer contribution rate for Fiscal Year 2026, with the new contribution rate effective July 1, 2025. The employee contribution rate is statutorily set at 8.5% of payroll. The interest rate assumption, 7.25%, used in the July 1, 2024, valuation for DSRS.

Mr. Woodson explained that for FY 2024, DSRS experienced an asset gain of approximately \$13.2 million based on the market value of assets. However, based on smoothed assets, DSRS had an asset gain of \$8.5 million, (smoothed asset return of 9.89% compared to the assumed asset return of 7.25%). DSRS had a liability loss of \$9.1 million for FY 2024, due mostly to salary increases larger than expected and unfavorable demographic experience. Mr. Woodson reminded the Board that HB 5267 was passed into law during the 2024 West Virginia Regular Legislative Session. He went on to say that it provided a new annuity benefit payable to a spouse of a deferred vested member that dies during the benefit deferral period. He mentioned that this

plan change increased the UAAL for DSRS by about \$719,000. The current funding policy for DSRS is to contribute no less than the annual Normal Cost plus the amount necessary to fund the July 1, 2022, Unfunded Actuarial Accrued Liability by June 30, 2029. He reviewed amortization payments and noted that they are calculated as a level dollar amount plus fee deposits as required under §7-14E-2, which are estimated to be \$425,000 per year.

Mr. Woodson presented the July 1, 2024 Deputy Sheriffs Retirement System (DSRS) Actuarial Funding Valuation and recommended that the Board increase the DSRS employer contribution rate of 17.0% of payroll beginning July 1, 2025.

Chairman Bunn stated he would entertain a motion to accept the recommendation.

Todd Murray made a motion to accept the recommendation of the Board Actuary to set the DSRS employer contribution rate at 17.0% of payroll, effective July 1, 2025. Jeff Vallet seconded the motion. The motion was adopted.

Mr. Woodson presented the July 1, 2024, Municipal Police and Firefighters Retirement System (MPFRS) Actuarial Funding Valuation. For FY 2024, MPFRS experienced an asset gain of approximately \$1.9 million due to an asset return of 11.45% which is above the assumed asset return of 7.25%. Also, MPFRS had a liability loss of \$1.6 million, due to unfavorable demographic experience and data and system updates 5188 was passed into law during the 2024 West Virginia Regular Legislative Session and created a new duty-related partial disability benefit for MPFRS. This plan change increased the UAAL for MPFRS by about \$381,000.

Mr. Woodson mentioned that SB 607 was passed into law during the 2024 West Virginia Regular Legislative Session providing a new annuity benefit payable to a spouse of a deferred vested member that dies during the benefit deferral period. He stated that this plan change increased the UAAL for MPFRS by about \$553,000. The current funding policy for MPFRS is to contribute no less than the annual Normal Cost plus the amount necessary to fund the July 1, 2022, Unfunded Actuarial Accrued Liability (UAAL) by June 30, 2032. MPFRS was fully funded as of July 1, 2022, therefore no UAAL amortization base was established as of July 1, 2022. Gains/losses and assumption changes will be amortized separately over 15 years on a level dollar basis. Active and terminated vested participant plan provision changes will be amortized over 10 years on a level dollar basis and in pay participant plan provision changes will be amortized over 6 years on a level dollar basis.

The current employer contribution rate of 8.5% of payroll is sufficient to meet the minimum funding policy.

Mr. Woodson recommended a continuation of the employer contribution rate of 8.50% of payroll beginning July 1, 2025.

Chairman Bunn stated he would entertain a motion to accept the recommendation.

Jeff Vallet made a motion to accept the recommendation of the Board Actuary to continue the MPFRS employer contribution rate at 8.50% of payroll,

effective July 1, 2025. Michael Corsaro seconded the motion. The motion was adopted.

Mr. Woodson presented the July 1, 2024 Emergency Medical Services Retirement System (EMSRS) Actuarial Funding Valuation. For FY 2024, EMSRS experienced an asset gain of approximately \$5.2 million due to an asset return of 11.38% which is above the assumed asset return of 7.25%. Also, EMSRS had a liability loss of \$1.9 million due mostly to pay increases greater than expected. Mr. Woodson reminded the Board that HB 5273 was passed into law during the 2024 West Virginia Regular Legislative Session providing a new annuity benefit payable to a spouse of a deferred vested member that dies during the benefit deferral period.

Mr. Woodson stated that this plan change increased the UAAL for EMSRS by about \$518,000. The current funding policy for EMSRS is to contribute no less than the annual Normal Cost plus the amount necessary to fund the July 1, 2022 Unfunded Actuarial Accrued Liability (UAAL) by June 30, 2032. He also informed the Board that EMSRS was fully funded as of July 1, 2022, therefore no UAAL amortization base was established as of July 1, 2022. Mr. Woodson explained that active and terminated vested participant plan provision changes will be amortized over 10 years on a level dollar basis and in pay participant plan provision changes will be amortized over 6 years on a level dollar basis. He stated that the current employer contribution rate of 9.5% of payroll is sufficient to meet the minimum funding policy.

Mr. Woodson recommended continuing the employer contribution rate of 9.50% of payroll beginning July 1, 2025.

Chairman Bunn stated he would entertain a motion to accept the recommendation.

Mike McKown made a motion to accept the recommendation of the Board Actuary to continue the EMSRS employer contribution rate at 9.50% of payroll, effective July 1, 2025. Lindsay Marchio seconded the motion. The motion was adopted.

Mr. Woodson presented the July 1, 2024 Natural Resources Police Officers Retirement System (NRPORS) Actuarial Funding Valuation. For FY 2024, NRPORS experienced an asset gain of approximately \$1.2 million based on the market value of assets. Mr. Woodson stated that based on smoothed assets, NRPORS had an asset loss of \$585,000 (smoothed asset return of 5.3% compared to the assumed asset return of 7.25%) and will be effective with the July 1, 2022, funding valuation for NRPORS. He informed the Board that NRPORS had a liability loss of \$1.1 million due mostly to pay increases greater than expected. SB 606 was passed into law during the 2024 West Virginia Regular Legislative Session providing a new annuity benefit payable to a spouse of a deferred vested member that dies during the benefit deferral period. This plan change increased the UAAL for NRPORS by about \$18,000.

Mr. Woodson also mentioned that HB 3299 passed into law during the 2023 West Virginia Regular Legislative Session which allowed PERS service to be transferred to NRPORS. This plan change increased the UAAL for NRPORS by about \$572,000. He stated that the current funding policy for NRPORS is to contribute no less than the annual Normal Cost plus the amount necessary to fund the Unfunded Actuarial Accrued Liability by June 30, 2051. Amortization payments are

calculated as a level dollar amount and gains/losses, assumption changes, and plan changes are all included in the UAAL. Based on the July 1, 2024, funding valuation, the NRPORS actuarially determined employer contribution rate for FY 2026 is 17.36%. Note, beginning FY 2026, WV Statute eliminated the NRPORS employers' contribution rate cap of 12.0% of payroll and replaced the cap with the amount set actuarially by the CPRB Board.

Mr. Woodson recommends the employer contribution rate of 18.0% of payroll beginning July 1, 2025.

Chairman Bunn stated he would entertain a motion to accept the recommendation.

Jeffrey Vallet made a motion to accept the recommendation of the Board Actuary to continue the NRPORS employer contribution rate at 18.0% of payroll, effective July 1, 2023. Woodrow Brogan seconded the motion. The motion was adopted.

The reports of the Board Actuary were located behind Tab #7 of the Board materials.

TAB 8 ACTUARIAL FACTORS

Mr. Woodson reviewed each of the nine defined benefit plans administered by the CPRB. He noted that there have been no changes in state code, federal law, nor plan amendments that would require any change in actuarial factors or their underlying assumptions. Actuarial assumptions for administrative factors for PERS, TRS, State Police Plan B, DSRS, EMSRS, MPFRS and NRPORS were modified by the Board at the January 26, 2022, CPRB Board Meeting. These plans were modified to more closely align with the interest rate and mortality assumptions used in the most recent actuarial valuations for each plan.

Recommendation: It is recommended that the Board approve continuation of the 2022 Actuarial Assumptions and Factors for Administration for calendar year 2025 without modification for the nine defined benefit plans (PERS, TRS, State Police Plan A, State Police Plan B, JRS, NRPORS, DSRS, EMSRS, and MPFRS).

Chairman Bunn stated that there was no Board action needed.

TAB 9 2025 CPRB PROPOSED LEGISLATION

Chairman Bunn recognized Terasa Miller, Deputy Director, to present the proposed legislation for the upcoming 2025 legislative session. Deputy Director Miller began with the Federal Compliance Bill and explained that the first piece of legislation is large, and she offered all Board members a hard copy (113 pages) or an overview summary condensed into 3 pages. She began by informing the Board about the history of this bill and explained that it has to do with enacting federal regulations in all eight defined benefit plans excluding Plan A due to the fact it has no active members. She informed the Board that it was prompted by SECURE 2.0 and other federal guidance. She reviewed all the clarifications and modifications. Ms. Miller reviewed the need to update the definition to all ten retirement plans as well as adding language in eight defined

benefit plans. Ms. Miller reviewed the need to add language to the eight defined benefit plans regarding separation from service. She informed the Board that there needs to be a requirement that employers notify CPRB of reemployment of retirants to ensure a bona fide separation from service has occurred and add classification or notification to those who are hired as permanent, full-time, permanent part-time, per-diem, substitute, and leased employees. Ms. Miller reviewed all modifications, and she explained she will need full Board approval to make these clarifications or modifications.

Chairman Bunn stated that he would entertain a motion to approve CPRB's proposed legislation.

Woodrow Brogan made a motion to approve CPRB's proposed Bill#1 Federal Compliance Bill with any necessary clean up changes as determined appropriate by staff. Secretary Housholder seconded the motion. The motion was adopted.

Ms. Miller reviewed the confidential information bill thoroughly and informed the Board that due to the increased risk of fraud and personal identity theft this bill needs to be modified.

Chairman Bunn stated that he would entertain a motion to approve CPRB's proposed legislation.

Mike Cook made a motion to approve CPRB's proposed Bill#2 Confidential Information Bill with any necessary clean up changes as determined appropriate by staff. Lindsay Marchio seconded the motion. The motion was adopted.

Ms. Miller reviewed the Municipal Police Officers and Firefighters retirement (MPFRS) and explained that, over the past few legislative sessions, there have been provisions and windows open to allow police officers and firefighters who are currently in PERS to transfer into MPFRS. She went on to say that this is for tier 2 PERS members, and they will be required to pay the difference in the employee contributions in order to be an MPFRS member. She reviewed the bill thoroughly for the Board. Ms. Miller offered to answer questions and there was a brief discussion.

Chairman Bunn stated that he would entertain a motion to approve CPRB's proposed legislation.

Michael Cook made a motion to approve CPRB's proposed Bill#3 the MPFRS Bill with any necessary clean up changes as determined appropriate by staff. Todd Murray seconded the motion. The motion was adopted.

TAB 10 OLD BUSINESS

Chairman Bunn inquired as to any old business to come before the Board. Director Fleck thanked Elizabeth Cooper, CFO, and her team for their efforts on completing the 2024 Annual Comprehensive Financial Report (ACFR) on time and with no adverse findings. He also

mentioned that CPRB has won the Excellence in Financial Reporting award from the GFOA for 12 years in a row.

TAB 11
NEW BUSINESS

Chairman Bunn inquired as to any new business to come before the Board. He informed the Board he had made a few changes to the committee assignments and informed the Board that he asked Lindsay Marchio to Chair the Accounting & Audit Committee. He added Secretary Householder to the Investment & TDC Committee and Dominique Ranieri to the Disability Review Committee. He stated that Ms. Morgan will be added to the WVIMB Representatives Committee replacing Brad Mankins. He will add Mr. Cook to the Accounting & Audit Committee, in place of Mr. Barker. He will also add Mr. Cook to the Executive Director & Actuary Review Committee. Chairman. Bunn thanked everyone for their time and effort they put in while serving on these Committees and the Board of Trustees.

ADJOURNMENT

Chairman Bunn stated there being no further business to come before the Board, the meeting was adjourned at 1:21 p.m.



Joseph G. Bunn, Chairman
WV Consolidated Public Retirement Board

Jeffrey E. Fleck, Executive Director
WV Consolidated Public Retirement Board