

**MINUTES OF THE
WV CONSOLIDATED PUBLIC RETIREMENT BOARD
ACCOUNTING & INVESTMENT COMMITTEE
MEETING OF AUGUST 29, 2018**

A meeting of the West Virginia Consolidated Public Retirement Board's Accounting & Investment (A&I) Committee was held in the Consolidated Public Retirement Board's (CPRB) Legal Conference Room, 4101 MacCorkle Avenue, SE, Charleston, West Virginia, on August 29, 2018. The meeting was called to order at 9:04 a.m. by Chairman Joseph Bunn.

Roll call was taken.

Committee Members present:

Joseph Bunn, Esquire, Chairman

Ann Urling, *representing Governor Jim Justice*

Diana Stout, Esquire, *representing Treasurer John Perdue*

Cabinet Secretary John A. Myers

Mike McKown

Jeffrey Vallet

Others present were:

Jeffrey E. Fleck, CPRB Executive Director

Terasa Miller, CPRB Deputy Director

John Galloway, CPRB Chief Financial Officer

Paula Van Horn, CPRB TDC Manager

Nancy Butcher, CPRB Executive Assistant

Don Jurgens, Empower Retirement, Managing Director

Bill Thornton, Empower Retirement, Investment Director (*via telephone*)

Chris Meadows, Empower Retirement, Outreach Officer

A quorum was present.

Due notice had been posted.

Item 1: Approval of the June 5, 2018, Meeting Minutes

Mr. McKown made a motion to approve the June 5, 2018, minutes of the Committee. The motion was seconded by Secretary Myers. The motion carried.

Item 2: Review of Auditors' Required Communications – GASB 68 Allocation Schedules

The Chairman recognized John Galloway, CPRB CFO, to review the Auditors Required Communications – GASB 68 Allocation Schedules. His review included the accounting estimates,

adjustments per audit, the improvement section of the management letter, the engagement letter and Management's representation letter.

Item 3: TDC Quarterly Investment Review – 6/30/18

Chairman Bunn recognized Bill Thornton, Investment Director, Government Market, Empower Retirement, who discussed the TDC Quarterly Investment Review. His discussion highlighted: the asset allocations, the 3.9% unemployment rate; good equity returns; the performance of the two new funds; the Morningstar Ratings; and, fund monitoring, particularly T. Rowe Price funds. He commented on the Franklin Mutual Global Discovery Z being behind their peers. He also commented on the Style Analysis and the Expense Summary. He inquired of the Committee their intentions of the Franklin Mutual Global Discovery Z fund. He discussed with the committee their options for replacing the Franklin Mutual Global Discovery Z fund.

Jeff Vallet made a motion to replace the Franklin Mutual Global Discovery Z fund with American Fund New Perspective R6. Ms. Stout seconded the motion. Motion adopted.

Item 4: TDC Revenue Sharing – June 30, 2018

Chairman Bunn recognized Paula Vanhorn for the purpose of reporting on the TDC Revenue Sharing and Administrative Activity. She concluded her report with account balances of TDC Revenue Sharing - \$32.16; TDC Administrative - \$287,154.32 and the Error Correction - \$1,484.59 and the Reconciled Ending Balance - \$279,671.07. She then responded to questions from the committee members.

Item 5: TDC Weighted Average Returns – June 20, 2018

Paula Vanhorn was recognized by Chairman Bunn for the purpose of presenting a report on the TDC Weighted Average Returns. Ms. Vanhorn reported that assets continue to climb and the Weighted Average Return was 8.57% and the participant level is 4,464. She also noted that with the replacement of the Franklin Mutual Global Discovery Fund Z, the plan will not have any funds on watch.

Item 6: TDC Mid-year Annual Plan Review

Chairman Bunn recognized Don Jurgens of Empower Retirement, for the purpose of presenting the Mid-year Annual Plan Review. Mr. Jurgens reported that the Plan Assets are \$515,304,303. He stated that the plan is growing steadily. He noted that the average plan participant balance is \$119,377. He discussed the increase in distributions and the contributing factors for that increase. He also gave some suggestions

of ways to encourage participants to maintain their funds in the managed plans. He commented on the account usage and data security in the system. He answered questions from the committee members.

Item 7: TDC Outreach and Reality Investing Update

Chairman Bunn recognized Chris Meadows, Empower Retirement to update the committee on Outreach and Reality Investing. Mr. Meadows reported that he had visited Raleigh, Fayette, Cabell and Nicholas County Boards of Education where he met with a total of 18 participants. He also visited eight other locations and met with 12 plan participants. He also reported the total plan participants is 4258 with the total assets at \$520,563,232.

Item 8: Update of TDC TPA RFP

Chairman Bunn recognized Jeff Fleck, Executive Director of the CPRB, to give an update on the TDC TPA RFP. Mr. Fleck reported that it was anticipated that the RFP would be issued by the end of the week.

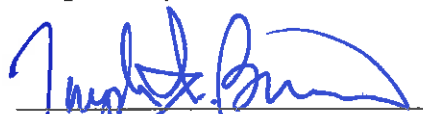
Item 9: Other Business

Terasa Miller gave an update on the TDC Plan Statistics RE: Valid Beneficiary Forms. There was discussion about options to get valid forms for plan participants.

Adjournment

There being no further business to come before the committee, the meeting adjourned at 10:00 a.m.

Respectfully submitted,



Joseph Bunn, Chairman



Jeffrey E. Fleck, Executive Director