

**MINUTES OF THE
WV CONSOLIDATED PUBLIC RETIREMENT BOARD
BOARD OF TRUSTEES MEETING
MEETING OF DECEMBER 16, 2020**

A meeting of the West Virginia Consolidated Public Retirement Board (CPRB), Board of Trustees, was held on Wednesday, December 16, 2020 in the Conference Room A at 4101 MacCorkle Avenue, Charleston, West Virginia, 25302.

Call to Order

The meeting was called to order at 10:02 a.m. by David L. Wyant, Chair.

Roll Call:

Trustees participating:

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

Trustees absent:

D. Todd Murray

A quorum was present.

Others present:

Jeffrey E. Fleck, CPRB Executive Director
Terasa Miller, CPRB Deputy Director
Nancy Butcher, CPRB Executive Assistant
Jeaneen Legato, CPRB General Counsel
Ken Woodson, CPRB Actuary
Tina Baker, CPRB Internal Auditor
Patricia Bowgren, CPRB IT Staff
Tanner Mann, CPRB Actuarial Analyst Trainee
John Galloway, CPRB Chief Financial Officer
Craig Slaughter, Investment Officer, WVIMB
Gary Pullin, Esquire, CPRB Hearing Officer
Chris Meadows, Empower Retirement
Ronda Harvey, Esquire, Bowles Rice
Bonita Knapp, CPRB, Administration
Sara Poe, CPRB, Membership
Jennifer Looney, CPRB, Employer Reporting
Bill Stratton, CPRB
Retha Taylor, CPRB
Brianna Means, CPRB
Stefanie Youngblood, CPRB
Alysia Eads, CPRB
Alysia Cooper, CPRB
Ashley Knapp, CPRB
John Hickman, CPRB
Samantha Chance, CPRB
Dan Morris, CPRB
Tenna Bell, CPRB

Tab 1: Approval of the November 18, 2020 Minutes

Mr. Vallet made a motion to approve the minutes of the November 18, 2020 meeting of the Board. The motion was seconded by Mr. Lynch. The motion was adopted.

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

Tab 2: Reports of the Chair and Executive Director

Mr. Jeffrey Fleck, Executive Director, gave his report to the Board which included the following information:

1. *CPRB Metric Chart* - Mr. Fleck said that the retirement section continues to process retirements applications as quickly as possible. He reviewed the numbers for each of the retirement plans as well as reviewing the statistics for deaths, refunds and benefit estimates.
2. *TDC Statistics* - He reported that the Plan had 3,991 participants and even with its declining participants, the assets continue to grow. He stated that its assets were \$642,184,858.
3. *Delinquent Employers* – Mr. Fleck stated that Green Acres continues to reimburse according to their agreement. He added that each of the listed PERS delinquent agencies had been contacted by telephone and e-mail. He also said that they each had been sent a letter regarding their delinquencies.
4. *November Financials* - He stated that the agency was at 213% of its budget allocation in salaries because of the increment pay that each employee receives.
5. *Draft 2020 Comprehensive Annual Financial Report (CAFR)* – Mr. Fleck introduced John Galloway, CPRB Chief Financial Officer, who reported that the CAFR had been submitted earlier than any other year and that it was available for members to review on the secure board website.
6. *2021 Goals* – Director Fleck explained that he had divided the 2021 Goals into two categories: Customer Service and Operations. He then reviewed each of the goals that had been set.
7. *Ethics Commission -Financial Disclosure Statement* – Mr. Fleck reminded the members of the Board that their Financial Disclosure Statements were due by February 1, 2021 to the Ethics Commission.
8. *WV State Policy Disability Experience Annual Report – Fiscal Year 2020* – The Director reviewed the Disability Report for Plan A and Plan B and stated that this reported is required by law and had been sent to the Governor.

9. *Meeting Dates of 2021* – Mr. Fleck announced that the proposed meeting schedule for 2021 was included in the Board packet and that the January 2021 meeting would be held on January 27th.
10. *Recognition of Employees* – Mr. Fleck announced that he had received an e-mail about Heather Drake, member of the CPRB staff, giving praise and thanks for her excellent work and service to the state.
11. *COVID-19 Status Update* - He explained that the agency was still employing a Certified Nursing Assistant to check the temperatures of people entering the building each day and that face masks are still mandatory for common areas. He stated about 1/3 of staff was working in the building. He said that the drop box that had been installed was being used frequently.

The Report of the Executive Director was located behind Tab #2 of the Board Materials.

Tab #3: Plans Investment Data

WVIMB Investment Data

Craig Slaughter, Executive Director of the West Virginia Investment Management Board (WVIMB), reviewed the Plan's Investment Returns Report for the period ending October 31, 2020. He stated that the FYTD was at 3.7%, which is a good start. He added that the S&P was up 11% and international stocks are up. He said that the rise in the market is a result of the announcement of a COVID vaccine. He also said that the relief package would play into the recovery of the market and the economy.

TDC Educational Meeting Update

Chris Meadows of Empower Retirement gave an update on the TDC Outreach and Reality Investing. Mr. Meadows reported that his on-site meetings and one-on-one counselling sessions had been cancelled due to the COVID-19 Pandemic, but he was conducting telephone counselling sessions. He reported that the year to date totals are 1089 counseling sessions.

TDC Investment Data

Chris Meadows of Empower Retirement gave an update on the TDC Investment Data. He reported that over all the economy continues to recover but it is a slow recovery.

He added that inflation is positive but mild. He also said that 17 of the 19 TDC funds have out performed many of the funds in their peer group.

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

Tab #4: Consideration of the Current Disability Retirement Applications

Mr. Corsaro reported that the Disability Committee met on Tuesday, December 15, 2020 via telephone conference call 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
PERS	1	1	2
TRS	6	0	6
TOTALS	7	1	8

Mr. Lynch made a motion the Board accept and approve the recommendation of the Disability Review Committee concerning the disability retirement applications. The motion was seconded by Mr. Haney. The motion was adopted.

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

Tab #5: Appeals for Consideration – Gary Pullin

Hearing Officer Pullin reviewed the appeal of **Deborah L. Birthisel**, a participant of PERS. The issue with this appeal was whether a Trust qualifies as a Beneficiary under the West Virginia Public Employees Retirement Act.

Based upon the Findings of Fact and Conclusions of Law, Hearing Officer Pullin recommended that Ms. Birthisel's appeal of the Board's decision denying her request to name a Trust as her Beneficiary **be denied** and the Board's decision be affirmed.

Mr. Corsaro made a motion the Board adopt the recommendation of the Hearing Officer and deny the appeal of Deborah L. Birthisel. Mr. Bunn seconded the motion. The motion was adopted.

The report of the Hearing Officer was located behind Tab #5 of the Board materials.

Executive Session

Chairman Wyant said he would entertain a motion to go into Executive Session as allowed by West Virginia Code §6-9A-4.

Mr. Bunn made a motion to go into Executive Session as allowed by West Virginia Code §6-9A-4 to discuss a legal matter. Mr. Barker seconded the motion. The motion was adopted.

The Board went into Executive Session at 10:47 a.m. as allowed by West Virginia Code §6-9A-4 to discuss a legal matter.

Chairman Wyant reconvened the Board meeting from Executive Session at 10:51 a.m. He announced that no decisions were made during Executive Session.

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 updated the Board on cases pending before the West Virginia Supreme Court of Appeals as well as Circuit Court and Less Than Honorable Service (LTHS) cases.

Ms. Legato reviewed the LTHS case of **Robert Alan Blake, III**, a PERS member. She reported that this member was a former correctional officer at the Western Regional Correctional Facility at Barboursville. On September 25, 2020, he entered a plea of guilty to the felony offense of *Imposition of Sexual Intercourse on an Incarcerated Person* in the Circuit Court of Cabell County, WV. Judge Ferguson has scheduled a sentencing hearing for January 6, 2021.

Ms. Legato recommended the Board disqualify and terminate the PERS retirement of Robert Alan Blake, III.

Mr. Vallet made a motion the Board accept the recommendation of Counsel and disqualify and terminate the retirement in the PERS of Robert Alan Blake, III and to authorize legal counsel to proceed with a Less Than Honorable Service action. The motion was seconded by Mr. Waybright seconded the motion. The motion was adopted.

Report from Outside Legal Counsel – Ronda Harvey

Ms. Harvey updated the Board on matters still pending in the Circuit Courts of West Virginia and other administrative matters. She added that because of COVID-19, hearings in the courts have been slowed.

The reports of the In-House and Outside Legal Counsel were located behind Tab #6 of the Board materials.

Tab #7: Committee Reports

Actuarial Assumptions Review Committee

Mr. Wyant recognized Mr. Hall to give a report from the Actuarial Assumptions Review Committee. He reported that the Committee had met on Tuesday, December 15, 2020 and Mr. Woodson, the CPRB Actuary had made a presentation to the Committee regarding the Initial Assumptions Summary and the Recommended Assumptions for NPRORS. He added that Mr. Woodson had recommended using the Initial Actuarial Assumptions that were listed on Appendix A of his presentation and was included in the Board materials behind Tab #7.

Mr. Hall made a motion that the Board adopt the recommendations of the Actuary regarding the NRPORS as contained in Appendix A. The motion was seconded by Mr. McKown. The motion was adopted. (Appendix A of the NRPORS Initial Assumptions Summary and Recommended Assumptions is made a part of these minutes.)

Internal Audit Committee

Mr. Wyant recognized Mr. McVey to give a report from the Internal Audit Committee. He reported that the Committee had met on Tuesday, December 15, 2020 and received a report from the Internal Auditor Tina Baker on the Qualified Domestic Relations Orders (QRDOs).

Ms. Stout made a motion that the Board accept the report of the Internal Auditor. Mr. Vallet seconded the motion. The motion was adopted.

The minutes, reports and presentations of the Committees were located behind Tab 7 of the Board materials.

Tab #8: NRPORS Recommendation for Regular Interest – Kenneth Woodson

Mr. Wyant recognized Kenneth Woodson, Board Actuary who gave a report on the Natural Resources Police Officers Retirement System Recommendation for Regular Interest. Mr. Woodson recommended that the Board approve a regular interest of 4.0% for all NRPORS plan years on or after July 1, 2021. For the partial year from January 2, 2021 through June 30, 2021, he recommended that the Board adopt a 2.0% (1/2 of the regular interest for NRPORS) interest rate to be applied to the NRPORS member contribution accounts transferred from PERS on January 2, 2021 and also applied to NRPORS member contributions between January 2, 2021 and June 30, 2021.

Mr. Bunn made a motion to adopt the recommendation of the Board Actuary for the Regular Interest for NRPORS. Mr. Vallet seconded the motion. The motion was adopted.

Tab #9: Election of Board Chair

Mr. Wyant opened the floor for nominations for the position of Chair of the CPRB Board.

Mr. McVey nominated Joe Bunn. Mr. Lynch nominated Michael Corsaro. Mr. Wyant asked each nominee if they would like to address the Board about their nomination. Each nominee gave a brief statement. Ballots were passed out to each member of the Board. A tally of the ballots resulted in the election of Joseph G. Bunn as the new Board Chair.

Tab #10: Old Business

Mr. Wyant inquired as to any old business to come before the Board.

Tab #11: New Business

Mr. Wyant inquired as to any new business to come before the Board.

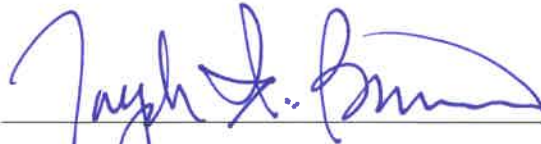
Ms. Stout announced that this would be her last board meeting as she was retiring from state government on December 31, 2020. Mr. Wyant commended her on her service to the Board and thanked her for all her hard work.

Mr. Hall presented Chairman Wyant a Certificate of Appreciation from Governor Justice for his years of service to the CPRB Board. Mr. Fleck announced that the CPRB

Conference room was being named the David L. Wyant Conference Room. He then presented Chairman Wyant a plaque similar to the plaque that was being placed outside the Conference room.

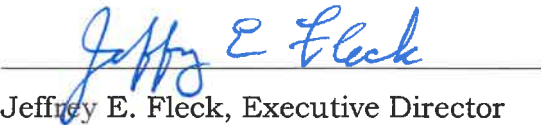
Adjournment

There being no further business to come before the board, the meeting adjourned at 11:23 a.m.



Joseph G. Bunn, Chair

Consolidated Public Retirement Board



Jeffrey E. Fleck, Executive Director

Consolidated Public Retirement Board

Appendix A

NRPORS Initial Actuarial Assumptions

Funding Method

The valuation is prepared under the Entry Age Normal Cost Method with individually computed accrued liabilities. The Normal Cost is computed in aggregate.

Basis for Assumptions

The initial actuarial assumptions for NRPORS are the same as DSRS, except for the withdrawal rates, retirement rates, and salary scale. The NRPORS actuarial assumptions will be reviewed in May 2021 as part of the 2021 West Virginia Uniformed Services Experience Study.

Interest Rate and Expenses

The valuation interest assumption is 7.5% per annum, with no loading for system expenses.

Salary Scales

5.50% per year for the first 2 years of service, 5.00% for the next 3 years, 4.50% for the next 5 years, and 4.00% thereafter.

Pre-Retirement Mortality

RP-2014 Employee Mortality Tables rolled back to 2006 and projected with Scale MP-2016 on a fully generational basis. The probabilities of each type of pre-retirement death is shown on page 14 below.

Post-Retirement Mortality

The post-retirement mortality tables are as follows:

Healthy males	103% of RP-2014 Healthy Annuitant Mortality Table, rolled back to 2006 and projected with Scale MP-2016 on a generational basis.
Healthy females	RP-2014 Healthy Annuitant Mortality Table, rolled back to 2006 and projected with Scale MP-2016 on a generational basis.
Disabled	RP-2014 Disabled Retiree Mortality Tables, rolled back to 2006 and projected with Scale MP-2016 on a generational basis.

Withdrawal from Service

Withdrawal rates are shown below on page 14. Withdrawal rates are assumed to cease upon eligibility for retirement. All withdrawal is assumed to result in refund of contributions if non-vested or a deferred annuity if vested.

Disablement Rates

Disablement rates are shown below on page 14.

Appendix A

NRPORS Initial Actuarial Assumptions

Retirement Rates

40% of members are assumed to retire when first eligible for unreduced benefits at the earlier of age 55 and a total of age plus years of service of 70 or more, or age 62 and completion of 10 years. An active member who has already attained eligibility for normal retirement has a 20% probability of retiring each year thereafter with 100% retiring on or after age 62.

Family Composition

It is assumed that 90% of all members are married, with husbands 3 years older than wives. Remarriage rates are not used, and no dependent children are assumed.

Accrual of Future Service

It is assumed that all active members will accrue 1 year of service for each future year of employment.

Noncontributory Service Loadings

At retirement, a member is assumed to be granted 1 additional year of service for benefits due to allowable military service, plus 2 additional years for unused annual leave and/ or sick leave for a total of 3 additional years.

Asset Valuation Method

Market value.

System Contributions

Both employee and employer contributions to the System are assumed to be paid in the middle of the year.

Appendix A
NRPORS Initial Actuarial Assumptions

Rates of Withdrawal and Disablement

Age	Rate of Withdrawal	Rate of Disablement
20	0.06160	0.0004
21	0.05984	0.0004
22	0.05808	0.0004
23	0.05632	0.0004
24	0.05456	0.0004
25	0.05280	0.0004
26	0.05104	0.0006
27	0.04928	0.0008
28	0.04752	0.0011
29	0.04576	0.0013
30	0.04400	0.0015
31	0.04224	0.0018
32	0.04048	0.0021
33	0.03872	0.0024
34	0.03696	0.0027
35	0.03520	0.0030

Age	Rate of Withdrawal	Rate of Disablement
36	0.03344	0.0033
37	0.03168	0.0036
38	0.02992	0.0039
39	0.02816	0.0042
40	0.02640	0.0045
41	0.02464	0.0045
42	0.02000	0.0045
43	0.02000	0.0060
44	0.02000	0.0060
45	0.02000	0.0060
46	0.02000	0.0056
47	0.02000	0.0052
48	0.02000	0.0048
49	0.02000	0.0044
50+	0.02000	0.0040

Withdrawal and disablement rates cease once an employee is eligible for unreduced retirement.

Rates of Disablement and Death – Type of Disability and Death

Disability retirement benefits and death benefits vary by duty and non-duty causes. Disability retirements and pre-retirement deaths are assumed to occur with the following probabilities:

Type of Disability	Probability
Duty-Related Total	0.50
Duty-Related Partial	0.25
Non Duty-Related Total	0.20
Non Duty-Related Partial	0.05

Type of Death	Probability
Duty-Related	0.70
Non Duty-Related	0.30