

**MINUTES OF THE
WV CONSOLIDATED PUBLIC RETIREMENT BOARD
BOARD OF TRUSTEES MEETING
MEETING OF MAY 19, 2021**

A meeting of the West Virginia Consolidated Public Retirement Board (CPRB), Board of Trustees, was held on Wednesday, May 19, 2021 in the David L. Wyant Conference Room at 4101 MacCorkle Avenue, Charleston, West Virginia, 25302.

Call to Order

The meeting was called to order at 10:04 a.m. by Joseph G. Bunn, Chair.

Roll Call:

Trustees participating:

Joseph G. Bunn, Chair

Ann Urling, *representing Governor James C. Justice, II*

Sarah Canterbury, Esquire, *representing State Treasurer Riley Moore (Via Teams)*

Cabinet Secretary Allan L. McVey

Bill Barker

Andy Bird

Rhonda Bolyard

Michael Haney

Mike McKown

D. Todd Murray

David Nelson

Reginald Patterson

Jeffrey Vallet

Trustees absent:

Jeff Waybright, *representing State Auditor John B. McCuskey*

Rhonda Bolyard

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
John Beane, CPRB Chief Technology Officer
Alysia Miller, CPRB Paralegal
Craig Slaughter, Investment Officer, WVIMB
Chris Meadows, Empower
Ronda Harvey, Esquire, Bowles Rice
Gary Pullin, CPRB Hearing Officer

Before the first item on the agenda, Secretary McVey asked for leave of the committee to make a presentation. He explained that this week was Public Employees Recognition Week and he wanted to recognize Terasa Miller, the CPRB Deputy Director, for her 25 years of service to the State of West Virginia.

Tab 1: Approval of the March 24, 2021 Minutes

Mr. Barker made a motion that the Board approve the minutes of the March 24, 2021 meeting of the Board. The motion was seconded by Mr. Vallet. The motion was adopted.

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

Tab 2: Report of the 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 added that the Retirement Section had processed 17 additional retirement applications since

May 18th. He added that the statistics for benefits estimates as well as deaths and refunds were included in the Metric Chart.

2. *TDC Statistics* - He reported that the Plan had 3,954 participants and its assets were \$662,339,291.
3. *Delinquent Employers* – Director Fleck stated that Green Acres continues to reimburse according to their agreement. He added that City of Mullens had been sent a certified letter regarding their delinquencies for February and March 2021.
4. *BCHR/Buck Consultants Contract Renewal* – Mr. Fleck informed the Board that the contract for BCHR/Buck Consultants required renewal. He said this contract is for actuarial services. He added that the amount of the renewal was \$278,000.00 for the year, and recommended that the Board renew such contract. He added that this contact would be put out to bid next year.

Mr. Vallet made a motion that the Board renew the BCHR/Buck Consultants contract for one year in the amount of \$278,000.00. Mr. Haney seconded the motion. The motion was adopted.

5. *Winklevoss Technologies Contract Renewal* – Director Fleck informed the Board that the Winklevoss Technologies Contract required renewal. He said that this contract was for services used by the actuarial staff. He added that the amount of the renewal was \$28,000.08 for the year, and recommended that the Board renew such contract.

Mr. Barker made a motion that the Board renew the Winklevoss contract for one year in the amount of \$28,000.08. Mr. Vallet seconded the motion. The motion was adopted.

6. *April Financials* - He stated that the April financials showed that the agency was under its YTD Actual budget.
7. *Quotes, Notes & Anecdotes* - Director Fleck stated that there was an article in the Quotes, Notes & Anecdotes recognizing that the Public Employees Retirement System was one of the highest funded public pension plan in the nation and that the Teachers Retirement System was at its highest funding level in its history.

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

Tab #3: Plans Investment Data

Chairman Bunn recognized Craig Slaughter, Executive Director of the West Virginia Investment Management Board (WVIMB). Mr. Slaughter reviewed the Plan's Investment Returns Preliminary Report for the period ending March 31, 2021. He reported that investment returns were up 2.3 percent for the month, 4.6 percent for the quarter, 21.4 percent for the FYTD and 35.3 percent for the year. He also noted that the Participant Plans Allocation & Performance Net of Fees information were included in the Board materials.

Chris Meadows of Empower Retirement gave an update on the TDC Outreach and Reality Investing. Mr. Meadows' counselling sessions continue to be virtual due to the COVID and totaled 518 for the year. He also stated that 56 TDC members would be retiring on June 30, 2021 with 47 members doing periodic pay and 6 members not taking any withdrawals. Mr. Meadows also reported on the TDC Spring Newsletter.

Mr. Meadows also updated the Board on the TDC Investment Data. He reported that there continues to be good growth in all areas of the market. He said that the GDP was at 6.4 percent, employment continues to increase, consumer confidence is up, and the housing industry continues to do well. He added that the Board should temper expectations in light of the fact that inflation continues to rise as evidenced by the Consumer Price Index experiencing its largest increase since the fall of 2008. He then reviewed some of the investment funds.

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

Tab #4: Consideration to Appeal of Hearing Officer Pullin

Hearing Officer Pullin reviewed the appeal of **Karen S. McNeer**, a participant of TRS. The issue before the Board was whether Ms. McNeer, while teaching at Bridge Valley Community and Technical College from 2010 through July 2020, was a full-time employee which required her retirement annuity to be reduced by the amount of her prior service allowance for the entire year, including the months of June and July of each year, and whether the Board's proposed action to recoup the overpayment of prior

service allowance is precluded by Appellant's asserted detrimental reliance upon statements by representatives of the Board that she was entitled to her full annuity during the months of June and July of each year from 2010 to 2020.

Based upon the Findings of Fact and Conclusions of Law, Hearing Officer Pullin recommended that Ms. McNeer's appeal of the Board's decision denying her requests (a) to be considered a full-time employee of Bridge Valley from 2010 to 2020, (b) to not allow the CPRB to recoup overpayment of retirement benefits the amount of the prior service allowance paid to Appellant in June and July of each year between 2010 and 2020, and (c) to stop the CPRB from recouping \$52,492.44 in accordance with the Board's Error Correction Policy, in each case, be denied and the Board's decision be affirmed.

Mr. Pullin then answered questions from the Board members.

Mr. Vallet made a motion that the Board adopt the recommendation of the Hearing Officer and deny the appeal of Karen S. McNeer. Mr. Barker 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 Bunn announced he would entertain a motion to go into Executive Session to discuss legal matters.

Mr. Vallet made a motion that 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. Haney. The motion was adopted.

The Board went into Executive Session at 10:55 a.m.

Chairman Bunn reconvened the Public Session of the May 19, 2021, meeting of the CPRB Board of Trustees meeting from Executive Session at 11:10 a.m. He 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

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, Circuit Court, Supreme Court and Less than Honorable Service (LTHS) cases.

Ms. Legato reviewed the Less Than Honorable Service (LTHS) case of **William Bennett**, a member of the Teachers Retirement System and a former employee of the Lewis County Board of Education. She reported that on February 7, 2020, Mr. Bennett entered a plea of guilty to the felony offense of *Unauthorized Use of a Purchasing Card*. On July 31, 2020, he was sentenced to 1-5 years in prison, suspended, and five years of probation. He was also ordered to pay \$5,100 in restitution.

Ms. Legato recommended the Board disqualify, terminate his pension and membership in TRS and proceed with LTHS action against him.

Mr. Vallet made a motion that the Board accept the recommendation of Counsel to disqualify, terminate his pension and membership in the TRS of William Bennett and to authorize legal counsel to proceed with LTHS action. Mr. Bird seconded the motion. The motion was adopted.

Ms. Legato reviewed the LTHS case of **Connie Smith**, a member of the Public Employees Retirement System and a former clerk of the municipal court of the City of Nitro. On January 17, 2020, she entered a plea of guilty to the felony offense of embezzlement in the Kanawha County Circuit Court. On June 8, 2020, she was sentenced to 1-5 years in prison, suspended, and five years of probation. She was also ordered to pay \$70,000 in restitution.

Ms. Legato recommended the Board disqualify, terminate her pension and membership in PERS and proceed with LTHS action against her.

Mr. Lynch made a motion that the Board accept the recommendation of Counsel to disqualify, terminate her pension and membership in the PERS of Connie Smith and to authorize legal counsel to proceed with LTHS action. Mr. Haney seconded the motion. The motion was adopted.

Ms. Legato reviewed the LTHS case of **Cathy Byers**, a member of the Teachers Retirement System and a former teacher for Greenbrier County Schools. On June 16, 2020, she entered a plea of guilty to the felony offense of wire fraud stemming from her unauthorized use of the teachers' union's debit card of \$22,000. On October 2, 2020, she was sentenced to eight months of home confinement and five years of probation.

Ms. Legato recommended the Board disqualify, terminate her pension and membership in TRS and proceed with LTHS action against her.

Mr. McVey made a motion that the Board accept the recommendation of Counsel to disqualify, terminate her pension and membership in the TRS of Cathy Byers and to authorize legal counsel to proceed with LTHS action. Mr. Lynch 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. Ms. Harvey also reported that the DNR subsistence allowance case was heard by the West Virginia Supreme Court of Appeals on April 13, 2021 and that the Court had not yet issued a decision.

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

Tab #6: Committee Reports

Accounting & Audit Committee – Mike McKown

Mr. Bunn recognized Mr. McKown, Acting Chair of the Accounting & Audit Committee. Mr. McKown reported that the Accounting & Audit Committee met on Tuesday, May 18, 2021 and had reviewed the Committee Charter and was recommending that the Board approve it as presented.

Mr. Patterson made a motion that the Board approve the Committee Charter for the Accounting & Audit Committee. Mr. Barker seconded the motion. The motion was adopted.

Mr. McKown also reported that Tina Baker, CPRB Internal Auditor, had presented her audit on Personally Identifiable Information (PII) Internal Controls and recommended that the Board accept that report.

Mr. Vallet made a motion that the Board accept the report of the Internal Auditor regarding the Personally Identifiable Information (PII) Internal Controls. Mr. Haney seconded the motion. The motion was adopted.

Disability Review Committee – Todd Murray

Mr. Bunn recognized Mr. Murray, Chair of the Disability Review Committee. Mr. Murray reported that the Disability Committee met on Tuesday, May 18, 2021 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
DSRS	1-Total Duty	0	1-Total Duty
PERS	3	1	4
TRS	8	1	9
TOTALS	12	2	14

Mr. Lynch made a motion that 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.

Mr. Murray reported that there was a situation with Midwest Exams and deferred to Mr. Fleck who explained the situation. Mr. Fleck explained that Midwest Exams is the company that schedules doctor's appointments for disability applicants and the Auditor's office was asking for a contract that specified the rates or range of rates that physicians were charging and recommended approval of the contract.

Mr. McVey made a motion that the Board approve the contract. Mr. Haney seconded the motion. The motion was adopted.

Investment Committee – Jeff Vallet

Mr. Bunn recognized Mr. Vallet, Chair of the Investment Committee. Mr. Vallet reported that the Investment Committee had met on Tuesday, May 18, 2021 and recommended that the Board approve the minutes of the July 14, 2020 Investment Policy Review Committee meeting.

Mr. Bird made a motion that the Board approve the minutes of the July 14, 2020 Investment Policy Review Committee meeting. Mr. Haney seconded the motion. The motion was adopted.

WV Investment Management Board Representative Committee – Todd Murray

Chairman Bunn recognized Todd Murray, Chair of the WV Investment Management Board Representative Committee. Mr. Murray report that the Committee had met on Tuesday, May 18, 2021 to review the Representative candidate applications. He said that the Committee was recommending the appointment of the following representatives: Terasa L. Miller for appointment as the PERS representative, Tony Lautar, Jr. for appointment as the TRS representative, David M. Nelson for appointment as the Plan A representative, James Gregory Baker as the Plan B representative, David D. Gentry as the DSRS representative, and Robert A. Ford as the EMSRS representative.

Mr. Lynch made a motion that the Board accept the recommendation of the WV Investment Management Board Representative Committee. Mr. Haney seconded the motion. The motion was adopted.

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

Tab #7: Old Business

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

Tab #8: New Business

Chairman Bunn announced under New Business that there was a vacancy in the Vice-Chair position of the Board of Trustees.

Mr. McVey made a motion to appoint Mike McKown to the position of Vice-Chair of the WV Consolidated Public Retirement Board of Trustees. Mr. Vallet seconded the motion. The motion was adopted.

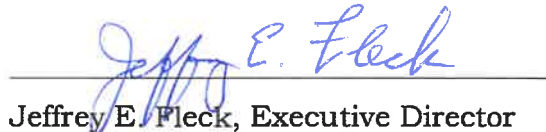
No other new business was heard.

Adjournment

There being no further business to come before the board, the meeting adjourned at 11:35 a.m.



Joseph G. Bunn, Chairman
Consolidated Public Retirement Board



Jeffrey E. Fleck, Executive Director
Consolidated Public Retirement Board