

**MINUTES OF THE
WV CONSOLIDATED PUBLIC RETIREMENT BOARD
ACCOUNTING & INVESTMENT COMMITTEE
MEETING OF APRIL 23, 2019**

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 Tuesday, April 23, 2019. The meeting was called to order at 3:03 p.m. by Joseph Bunn, Chairman.

Roll call was taken.

Committee Members present:

Joseph Bunn, Esquire, Chair *(via telephone)*

Mike Hall, *representing Governor Jim Justice, (via telephone)*

Jeffrey Vallet *(via telephone)*

Mike McKown

Committee Members absent:

Diana Stout, Esquire, *representing Treasurer John Perdue*

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

Chris Deweese, Suttle & Stalnaker Auditor

Evan Shamblin, Suttle & Stalnaker Auditor

Ryan Mink, Suttle & Stalnaker Auditor *(via telephone)*

A quorum was present.

Due notice had been posted.

Item #1: Approval of the March 6, 2019 Meeting Minutes

Due to a question regarding the minutes, a motion to table further consideration of the approval of minutes was made by Mr. Vallet. Mr. McKown seconded the motion. The motion was adopted.

Item #2: Presentation of Audit Results: June 30, 2018 Employer Allocation Schedules (GASB 68)

Chairman Bunn recognized Chris Deweese, Evan Shamblin and Ryan Mink (via telephone) of Suttle & Stalnaker to present the Audit Results on the June 30, 2018 Employer Allocation Schedules (GASB 68). Mr. Deweese stated that this was the last component of the 2018 audit work. He said that all the opinions were clean. He explained that there was a report for each of the eight retirement plans and a copy of each was provided. He also stated that this was the earliest, in recent years, that these reports have been completed. He asked if there were any specific questions.

Mr. Galloway stated that this is the second year that these reports have been prepared “in-house”. In previous years, the work was contracted to an outside consultant. He went on to say that no audit adjustments were necessary.

Mr. Deweese reported that they audited the schedules of each of the defined benefit pension funds for the year ended June 30, 2018. He stated that no transactions were entered into by the Board during the year for which there was a lack of authoritative guidance or consensus. He also stated that they had encountered no significant difficulties in dealing with management in performing and completing the audit. He went on to say that no disagreements arose during the course of the audit and there had been no consultations with other accountants.

Mr. Deweese stated that they concur with the process and agree with the actuarial assumptions and methods used in the *Net Pension Liability* estimation process, the *Deferred Inflows/Outflows of Resources* estimation process and the *Pension Expense* estimation process. He went on to say that there were no material adjustments identified during the course of the audit. He added that they had found five insignificant contributions that were improperly excluded in the employer’s contribution total in the Public Employees’ Retirement System.

Mr. Deweese then answered questions from the committee members.

Mr. McKown made a motion to accept the audit reports and to recommend their acceptance to the Board. Mr. Vallet seconded the motion. The motion was adopted.

Item #3: Required Planning Communications: June 30, 2019 Financial Statement Audit

Mr. Deweese presented the Fiscal Year 2019 Engagement Planning and Timing. Mr. Fleck then gave an update on the renewal of the contract with Suttle & Stalnaker. Mr. Vallet made a motion to renew the last extension of the Suttle & Stalnaker contract. (Due to the renewal not being listed on the agenda, it was determined that action on this matter would come under "Other Business".) There being no second to the motion, the motion failed.

Mr. Shamblin commented on the timing of the audit. After the financial statements, which have an October 15, 2019 deadline, they will begin work on the CAFR, which has a December 31, 2019 deadline. Mr. Bunn asked for a follow-up letter with the timeline listed for use by the committee.

Item #4: TDC Third Party Administrator (TPA) Request for Proposal (RFP) Update

Mr. Fleck gave an update on the RFP for a TPA for the TDC. He explained the vendors were all disqualified due to not meeting mandatory requirements. Ms. Miller explained the end date of the Emergency Award for the current TPA is June 30, 2019. Mr. Vallet made a motion to extend the Emergency Award of Empower, the TDC TPA until December 31, 2019 with Board approval. Mr. McKown seconded the motion. The motion was adopted.

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

The Committee went into Executive Session at 3:32 p.m.

Chairman Bunn reconvened the Public Session of the April 23, 2019, meeting of the Accounting and Investment Committee from Executive Session at 3:50 p.m.

Chairman Bunn 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.

Chairman Bunn stated that the committee had discussed the TDC TPA RFP. Mr. Vallet made a motion to authorize staff to implement the changes discussed, and any necessary minor edits, to the RFP and authorized the agency to send the RFP to the Purchasing Division to put it out to bid. Mr. McKown seconded the motion. The motion was adopted.

Item #5: Other Business

Chairman Bunn explained that the Suttle & Stalnaker contract needed to be renewed. Mr. Vallet made a motion to approve the last renewal of the Suttle & Stalnaker contract and to recommend to the Board that the contract be renewed. Mr. McKown seconded the motion. The motion was adopted.

Item #1: Approval of Minutes

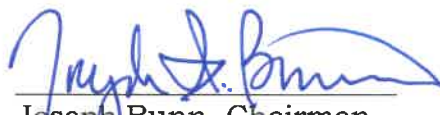
Mr. Vallet made a motion to move the approval of the minutes from the table. Mr. McKown seconded the motion. The motion was adopted.

Mr. McKown made a motion to approve the minutes with the correction as discussed. Mr. Vallet seconded the motion. The motion was adopted.

Adjournment

There being no further business to come before the committee, the meeting adjourned at 3:58 p.m.

Respectfully submitted,


Joseph Bunn, Chairman


Jeffrey Fleck, Executive Director