

**MINUTES OF THE
WV CONSOLIDATED PUBLIC RETIREMENT BOARD
BOARD OF TRUSTEES MEETING
MEETING OF JULY 10, 2024**

A meeting of the West Virginia Consolidated Public Retirement Board (“CPRB”), Board of Trustees, was held on Wednesday, July 10, 2024 at 601 57th Street SE, Charleston, West Virginia, 25302. Due notice had been posted.

Call to Order

The meeting was called to order at 10:03 a.m. by Joseph Bunn, Chairman.

Roll Call:

Trustees participating:

Joseph G. Bunn, Chairman
Mike McKown, Vice Chairman
Garner Marks, *representing Governor James C. Justice, II*
Jeffrey Waybright, *representing State Auditor John B. McCuskey*
Lindsay Marchio, Deputy Counsel, *representing State Treasurer Riley Moore*
Mark Scott, Cabinet Secretary, Department of Administration
Bill Barker
Larry Cole(*Joined at 10:08 am*)
Brad Mankins
Beth Morgan
Dominique Ranieri

Trustees absent:

Rhonda Bolyard
Woodrow Brogan
Daniel Cart
Michael Corsaro
D. Todd Murray
Jeffrey Vallet

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
Tina Baker, CPRB Internal Auditor
Ken Woodson Jr., CPRB Board Actuary
David Arreaga, Actuarial Analyst Trainee
Gabriele Wohl, Bowles Rice
Marc Monteleone, Esquire, Bowles Rice
Tom Sauvageot, WVIMB
Chris Meadows, Empower
Lindsey Adkins, CPRB Outreach Officer
Michael Ciarochi, CPRB Financial Reporting Specialist

TAB 1
APPROVAL OF THE MAY 15, 2024 MINUTES

Chairman Bunn stated that he would entertain a motion to approve the minutes of the May 15, 2024 meeting of the CPRB Board of Trustees.

Mark Scott made a motion that the Board approve the minutes of the May 15, 2024 meeting minutes. Bill Barker 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. ***Recognition of Employees*** – Director Fleck began by announcing that recently Lindsey Adkins, CPRB outreach officer hosted a Retirement Seminar at Camp Dawson and that he received an email from Colonel Christopher Selvey, Senior Army Instructor at Camp Dawson. The email was praising and thanking Lindsey for all her hard work and being extremely helpful. Director Fleck praised Lindsey for going above and beyond to help our retirees navigate through the process of retiring and answering all the questions in a professional manner. Mr. Fleck thanked her for her efforts.
2. ***CPRB Operational Metrics*** – Director Fleck reviewed the metric charts located behind Tab 2 of the Board materials. He announced that since last year, there has been improvement in the average processing time of retirements. He stated that the annual average number of days to first check has been reduced from 36 days to 27 days in PERS and in TRS it was cut from 43 days to 40 days. He stated that there are 45 retirements being processed. Director Fleck thanked the CPRB staff for their efforts in getting these retirements processed so efficiently.

3. **TDC Statistics** – Director Fleck stated that the TDC Plan, which has been closed to new enrollees, has 3,525 participants and the total plan assets were \$725,079,530 as of May 31, 2024.
4. **Delinquent Employers** – Director Fleck reported that Green Acres Regional Center continues to make payments according to the settlement agreement bringing their delinquent balance down to \$64,163.95 from the original amount of over \$600,000.
5. **Contract Renewals-** Addendum to Bowles Rice Contract
Director Fleck informed the Board that the contract with Bowles Rice with a minor changes and recognized Marc Monteleone, Bowles Rice, Managing Partner to address the changes with the contract. Mr. Monteleone began by stating he is requesting an Addendum to the legal services agreement. He informed the Board that Ms. Harvey has resigned and joined the firm Steptoe & Johnson and would be removed as a Bowles Rice attorney. Bowles Rice has agreed to retain Ms. Harvey to work on the DNR(Robert Clark case.) Mr. Monteleone informed the Board that Bowles Rice shall bill for Ms. Harvey’s time at the rate of 280.00 hourly rate. He also mentioned that Bowles Rice is adding Lesley Russo and Gabriele Wohl to the existing contract.

Chairman Bunn stated that he would entertain a motion for the addendum to the Bowles Rice legal Services Contract be approved.

Ms. Ranieri made a motion that the addendum to the Bowles Rice Legal Services Contract be approved. The motion was seconded by Mr. Mankins. The motion was adopted.

6. **Monthly Financials** – Director Fleck stated that financial reports for the months of May and June are in his report. He reported that the period ending June 30, 2024 shows that the agency is operating below budget at 83% of budget for the month and 82% of budget for the year.
7. **Outreach update-** Director Fleck informed the Board of several upcoming seminars on July 1st, 11th, 17th and August 2nd. He reviewed all brochures for each payroll seminar and noted that they are on the CPRB Website. Director Fleck recognized Deputy Director Miller to give an update on the payroll seminars. Ms. Miller began by saying that it has been ten years since the last payroll seminar, and it has gone wonderful. She thanked Ms. Adkins for all of her efforts and looks forward to having many more seminars and webinars. Director Fleck followed up by saying that CPRB is looking into recording these seminars and breaking them down into sections to add to the CPRB website.
8. **Awards-** Director Fleck informed the Board that the Government Finance Officers Association recognized Consolidated Public Retirement Board for excellence in financial reporting for the twelfth year. He then thanked Chief Financial Officer Elizabeth Cooper and her team for all their efforts.
9. **Senate Bill 439-** Director Fleck reviewed all provisions in Senate Bill 439 that the West Virginia Legislature passed on March 9, 2024. He reviewed the 911 PERS to EMSRS transfer information. There was a brief discussion on the process and the ballots.

10. **Senate Bill 605-** Director Fleck reviewed Senate Bill 605 that the West Virginia Legislature passed on May 16, 2024. Director Fleck explained this is the bill that requires all participating public employers of all retirement systems administered by CPRB to remit contributions and fees owed by electronic funds transfer (EFT) beginning July 1, 2024.
11. **Signage update-** Director Fleck announced that General Services reached out to him and informed him that the CPRB signage is in the design phase and will be incorporated into a Department of Administration sign with all three agencies listed and the logos from each agency will be on the sign. He informed the Board that we will have the new sign by the end of the year.

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

TAB 3 PLANS INVESTMENT DATA

WVIMB Report—Tom Sauvageot

Chairman Bunn recognized Tom Sauvageot, of the WV Investment Management Board, to give an update on the Plans Investment Data.

Mr. Sauvageot started by reviewing the returns through May 31, 2024 saying that the March numbers were up, giving us a 2.5% return for the month and 10% for the fiscal year to date. He mentioned that inflation was at 3.3% and markets continue to do well. He stated that so far June is looking much better. He added that international and domestic stocks are doing good. He mentioned that 60 % of the return is coming from five mega stocks and a lot of that is because of AI (artificial intelligence). Mr. Sauvageot explained that the economy has slowed but didn't go into a recession. He informed the Board that public equity is what's driving the return this year and the hedge funds are up about 13%. He reviewed real estate and mentioned that it isn't performing well at this time.

Mr. Sauvageot 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 updated the Board on the TDC outreach updates. He reported that he had conducted 551 educational counseling sessions and 210 distribution counseling sessions since the beginning of the year for a total of 761 sessions year to date.

Mr. Meadows informed the Board that the My Total Retirement and Fee Holiday brochure along with the Summer Newsletter went out to TDC participants and provides participants with very helpful information. He reviewed the free look that is currently taking place for the first three quarters. Mr. Meadows explained that "My Total Retirement" is a comprehensive managed

account service that provides you with professional portfolio monitoring, personalized savings strategy, retirement readiness and access to investment adviser representatives.

Mr. Meadows updated the Board on the TDC investment performance. He began by saying that the second quarter gave investors a mixed bag from a return standpoint, large cap stocks continued the momentum over the first quarter while mid and small cap saw losses over the last three months. Higher interest rates have weighed in on the mid and small caps which are typically more sensitive to economic conditions.

Mr. Meadows reviewed the economic overview as of May 31, 2024 with the S&P 500 gaining 4.5%. Mr. Meadows noted that inflation data has shown a decline and he mentioned that growth continued to outperform value. He reviewed the plans investment line up saying they continue to perform well with most funds outperforming their peers.

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 5 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 reported on the two current pending administrative appeals. Ms. Legato informed the Board that the first administrative appeal, Mr. James Hendricks, is a TRS military service credit appeal, and that Mr. Hendricks is represented by Kimberly Dotson with Masters Law Firm. Ms. Legato noted that the Hearing is scheduled with Hearing Officer Charnock for August 6, 2024.

Ms. Legato stated that the second administrative appeal is scheduled for August 13, 2024. She informed the Board that there are three Circuit Court Cases pending and reviewed all three cases. She informed the Board that there are also three Intermediate Court cases. Ms. Legato updated the Board on Dondi Stemple case and explained that oral argument has been scheduled for September 25, 2024.

She then reviewed the Gregory Reed (deceased) case and mentioned that the respondent (CPRB) has a response brief due by August 1, 2024. She finished by reviewing the last Intermediate Appeal of Albert West(deceased) and she explained that on July 1, 2024 the Intermediate Court of Appeals issued a *Memorandum Decision* affirming the Circuit Courts *Final Order* which affirmed this Boards *Final Order*.

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

Report from Outside Legal Counsel – Gabriele Wohl -Bowles Rice

Chairman Bunn recognized and welcomed Gabriele Wohl, Outside Legal Counsel, to give her report to the Board. He informed the Board that she will be replacing Ronda Harvey.

Ms. Wohl reported on the ongoing 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 Order directed the parties to prepare a joint appendix of the record, which was filed with the Circuit Court on April 5, 2024. The Supreme Court filed its Scheduling Order on May 3, 2024. She reported the deadline for Petitioners to file their brief is July 2, 2024. CPRB’s brief is due August 1, 2024, and Petitioners’ reply brief is due August 6, 2024.

She informed the Board that there are no Circuit Court matters currently pending and one administrative appeal for Mr. Chet Burgess his hearing is scheduled to take place on August 6, 2024.

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

The reports of the In-House and Outside Legal Counsel were located behind Tab #5 of the Board materials.

**TAB 6
COMMITTEE REPORTS**

Disability Review Committee – Jeff Waybright

Chairman Bunn recognized Mr. Waybright to give the report of the Disability Review Committee. Mr. Waybright reported that the Committee had met on Monday, May 13, 2024 and he thanked the staff for working so hard to get all the disability applications processed, and ready for the staff’s recommendations of disability retirement applications and made the following recommendations to the Board for their approval:

System	Approved Total Duty	Denied Total Duty	Approved Total Non-Duty	Denied Total Non-Duty	Total
PERS	1	1	11	5	18
TDC	0	0	1	0	1
TRS	0	0	8	0	8
TOTALS	1	1	20	5	28

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

Mr. Barker 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 Mr. Murray. The motion was adopted.

Accounting & Audit Committee- Jeff Waybright

Chairman Bunn recognized Mr. Waybright to give the report of the Accounting and Audit Committee. Mr. Waybright started by informing the Board that the Committee met on Monday May 13, 2024 and reviewed the RFP for Audit services and explained this item would need Board action as well as needing to go into executive session.

Executive Session

Chairman Bunn stated that there was a legal or contractual matter that needed to be discussed in executive session and he would entertain a motion to go into executive session, as allowed by WV Code §6-9A-4.

Mr. Scott made a motion to go into executive session to discuss legal matters. Ms. Marchio seconded the motion. The motion was adopted.

The Board went into Executive Session at 10:57 a.m.

Chairman Bunn reconvened the Public Session of the July 10, 2024, meeting of the CPRB Board of Trustees meeting from Executive Session at 11:04 a.m. He announced the Board was in Executive Session to discuss a contractual matter as allowed by West Virginia Code §6-9A-4 and that no decisions were made during Executive Session.

Chairman Bunn stated that he would entertain a motion to award and approve the RFP for Audit services pending the negotiations with Purchasing Division.

Mr. Waybright made a motion that the Board approve and adopt the recommendation for the RFP for Audit Services. Ms. Marchio seconded the motion. The motion was adopted.

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 informed the Board that he had two items of business. He proposed to start a new Ad Hoc committee that pertains to AI and open it up to Board members and staff. He explained that he would like to meet and discuss topics of interest regarding AI. He also expressed to the Board that he would like to move some of the Board members committee assignments around and distribute each person's time evenly.

ADJOURNMENT

Chairman Bunn stated there being no further business to come before the Board, the meeting was adjourned at 11:09a.m.



Mike McKown, Vice Chairman
WV Consolidated Public Retirement Board



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