

**MINUTES OF THE
WV CONSOLIDATED PUBLIC RETIREMENT BOARD
BOARD OF TRUSTEES MEETING
MEETING OF AUGUST 28, 2024**

A meeting of the West Virginia Consolidated Public Retirement Board (“CPRB”), Board of Trustees, was held on Wednesday, August 28, 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 10:00 a.m. by Mike McKown , Vice Chairman.

Roll Call:

Trustees participating:

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*
Sarah Long, Chief Financial Officer *representing Cabinet Secretary*
Rhonda Bolyard
Woodrow Brogan
Michael Corsaro
Brad Mankins
Beth Morgan
D. Todd Murray
Dominique Ranieri
Jeffrey Vallet

Trustees absent:

Joseph G. Bunn, Chairman
Bill Barker
Larry Cole
Daniel Cart

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
Christine Fernandes, CPRB Chief Information Officer
Tina Baker, CPRB Internal Auditor
Ken Woodson Jr., CPRB Board Actuary
David Arreaga, Actuarial Analyst Trainee
Gabriele Wohl, Bowles Rice
Craig Slaughter, WVIMB
Don Jurgens, Empower
Chris Meadows, Empower
Caroline Brady, CPRB Employer Reporting Manager
Bonita Knapp, CPRB Call Center Lead
Debbie Asbury, CPRB Employer Reporting
Gary Myatezh, CPRB Call Center
Michael Ciarochi, CPRB Financial Reporting Specialist

**TAB 1
APPROVAL OF THE JULY 10, 2024 MINUTES**

Vice Chairman McKown stated that he would entertain a motion to approve the minutes of the July 10, 2024 meeting of the CPRB Board of Trustees.

Mark Scott made a motion that the Board approve the minutes of the July 10, 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**

Vice Chairman McKown 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 welcoming and recognizing Debra Asbury with employee reporting and Gary Myatezh in the call center and thanked them both for their 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 37 days to 28 days in PERS and in TRS it was cut from 41 days to 35 days. He stated that there are 77 total retirements being processed. Director Fleck mentioned that in PERS there has been 1,500 refunds and 700 in TRS refunds being processed. He 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 \$58,163.95 from the original amount of over \$600,000. He informed the Board that the other two agencies were Barbour County Health Department and Town of Gauley Bridge, and they are both one month delinquent. He explained that staff has reached out to both agencies by email and phone calls to support and encourage timely payroll submission.

5. **Contract Renewals-**

Director Fleck informed the Board that there are two contracts that need board approval. He explained that InRule Technology is our business rules engine and software maintenance and support for the amount \$71,400.00 for one year.

Chairman McKown stated that he would entertain a motion for the renewal of the InRule Technologies Contract.

Mr. Vallet made a motion that the renewal of the Contract be approved. The motion was seconded by Ms. Marchio. The motion was adopted.

Director Fleck reviewed the contract renewal for Mahantech, with the total for this being 114,400 for one year.

Chairman McKown stated that he would entertain a motion for the renewal of the Mahantech Contract.

Mr. Corsaro made a motion that the renewal of the Contract be approved. The motion was seconded by Ms. Ranieri. The motion was adopted.

6. **Monthly Financials** – Director Fleck stated that financial reports for the months of June and July are in his report. He reported that the period ending July 30, 2024 shows that the agency is operating below budget at 81% of budget for the month.
7. **Outreach update-** Director Fleck informed the Board of several upcoming seminars on August 7th, 14th, 15th and the 26th. In September there will be two more outreach seminars on September 26th & 30th. He reviewed all brochures for each payroll seminar and noted that they are on the CPRB website. Director Fleck thanked Lindsey for 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. **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. Director Fleck mentioned that it is highly probable that it will pass so staff will be working to meet all the requirements of the transfer from PERS to EMSRS after all the votes are counted and certified.

Mr. Fleck then offered to answer any questions.

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

TAB 3 PLANS INVESTMENT DATA

WVIMB Report Craig Slaughter

Vice Chairman McKown recognized Craig Slaughter of the WV Investment Management Board, to give an update on the Plans Investment Data.

Mr. Slaughter started by reviewing the returns through June 30, 2024 saying that the preliminary numbers were up, 11.4% for the fiscal year to date. He added that international and domestic stocks are doing good. Mr. Slaughter explained that it has been a very good year with all assets being up except for real estate. He informed the Board that the Federal Reserve has made it clear that rates will be dropping in the near future and there is a lot of hope for a soft landing.

Mr. Slaughter asked if there were any questions from the Board. There was a brief discussion among the Board members.

Empower Report—Chris Meadows, Empower Retirement

Vice Chairman McKown 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 703 educational counseling sessions and 282 distribution counseling sessions since the beginning of the year for a total of 985 sessions year to date.

Mr. Meadows updated the Board on the TDC investment performance. He began by saying that an increase of market volatility has occurred in the past several weeks and the economic data continues to point to a possible slow down in the economy. He informed the Board that the second quarter GDP comes in with a solid 2.8%. He reviewed the investment performance as of July 31, 2024 and mentioned that it painted a different picture with regard to job growth and showed a steady decline with an uptick in the unemployment rate. Mr. Meadows mentioned that the July unemployment rate climbed to 4.3% a record high since the economy was coming out of the Covid shutdown in October, 2021. Mr. Meadows reviewed the economic overview as of July 31, 2024 and noted 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 4 LEGAL COUNSEL REPORTS

Report of In-House Legal Counsel – Jeaneen Legato

Vice Chairman McKown recognized Jeaneen Legato, In-house Legal Counsel, to give her report to the Board.

Ms. Legato reported on the current pending termination of membership due to removal of office. Ms. Legato informed the Board that this case is a little bit different because normally the Board will determine the termination of membership due to Less Than Honorable Service, but in this case Ms. Tricia Jackson is a member of PERS and a former Jefferson County Commissioner who was removed from office. Ms. Legato reviewed the case details with the Board and explained the West Virginia Code §5-10-49. Removal from office, states that any member of the retirement system who has been removed from office or his office shall have been vacated for official misconduct, incompetence, neglect of duty, gross immorality, malfeasance, or misfeasance shall immediately have his membership in the retirement system terminated permanently by the board of trustees and shall never become eligible for an annuity; however, any such member so terminated by virtue of this section shall be entitled to a refund of his contributions with regular interest as provided in section thirty hereof.

Ms. Legato recommended that the PERS membership and retirement annuity of Tricia Jackson be terminated due to her removal from office.

Vice Chairman McKown stated that he would entertain a motion to approve the recommendation of in-house legal counsel, Jeaneen Legato regarding Tricia Jackson's removal from office.

Mr. Corsaro made a motion that the Board approve the recommendation to terminate the PERS membership and retirement annuity of Tricia Jackson for being removed from office. Mr. Vallet seconded the motion. The motion was adopted.

Ms. Legato then reviewed the Circuit Court case for Pam McDaniel a PERS retiree who used her position as a housing manager with Charleston Kanawha Housing Authority to embezzle thousands of dollars by altering money orders that she received from tenants as rent payments. Ms. Legato informed the Board that on July 17, 2024 Judge Salango entered an order granting the Boards petition for termination of benefits. Ms. Legato reviewed the Intermediate Court of appeals case and updated the Board on the Dondi Stemple case and explained that oral argument has been scheduled for September 25, 2024.

Ms. Legato then offered to answer questions.

Report from Outside Legal Counsel – Gabriele Wohl -Bowles Rice

Vice Chairman McKown recognized Gabriele Wohl, Outside Legal Counsel, to give her report to the Board.

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 was July 2, 2024. CPRB’s brief was due August 1, 2024, and Petitioners’ reply brief was 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 noted that Bowles Rice is beginning to prepare proposed legislative amendments for various plan provisions, to reflect federal law changes and other issues identified in discussions with Director Fleck and Deputy Director Miller.

Ms. Wohl then offered to answer questions.

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

**TAB 5
COMMITTEE REPORTS**

Disability Review Committee – Jeff Waybright

Vice Chairman McKown recognized Mr. Waybright to give the report of the Disability Review Committee. Mr. Waybright reported that the Committee had met on Tuesday, August 27, 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	0	1	4	3	8
TRS	0	0	4	0	4
TOTALS	0	1	8	3	12

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

Mr. Corsaro 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. Vallet. The motion was adopted.

Accounting & Audit Committee- Mike McKown

Vice Chairman McKown gave the report of the Accounting and Audit Committee. Mr. McKown started by informing the Board that the Committee met on Tuesday, August 27, 2024 and reviewed and explained these three items would need Board action. He reviewed the PERS Disability medical recertifications.

Mr. McKown stated that he would entertain a motion to accept and to recommend to the Board the acceptance of the PERS Disability Medical Recertifications.

Mr. Vallet made a motion that the Committee accept and to recommend to the Board the acceptance of the PERS Disability Medical Recertifications. Mr. Barker seconded the motion. The motion was adopted.

Mr. McKown reviewed and recommended that the Board accept the DSRS Pre-Retirement Beneficiary Designations.

1. when the Outreach Coordinator conducts seminars for payroll coordinators, coordinators be encouraged to print forms from the website each time one is needed to ensure that the most up-to-date form is utilized.
2. recommends that beneficiary designation forms be scanned in color.
3. The Internal Auditor recommends that consideration be given to altering the beneficiary screen so that it is more organized and easier to read.
4. The Internal Auditor recommends that consideration be given to adding a quality check to the procedures for processing beneficiary designation forms, whereby a second individual verifies that forms are approved or rejected accurately.

Mr. McKown stated that he would entertain a motion to accept and to recommend that the Board accept the DSRS Pre-Retirement Beneficiary Designations.

Mr. Vallet made a motion that the Committee accept the DSRS Pre-Retirement Beneficiary Designations recommendations. Mr. Waybright seconded the motion. The motion was adopted.

Mr. McKown reviewed the annual internal audit plan. He stated that it will need board action.

Mr. McKown stated that he would entertain a motion to accept the recommendations on the updated CY 2024 Internal Audit Plan.

Mr. Corsaro made a motion to accept and to approve amending the updated CY 2024 internal audit plan. Ms. Ranieri seconded the motion. The motion was adopted.

Mr. McKown then offered to then answer questions.

Investment & TDC Committee – Jeff Vallet

Vice Chairman McKown recognized Mr. Vallet to give the report of the Investment Committee.

Mr. Vallet reported that the Committee met on Tuesday, August 27, 2024. The committee listened to the quarterly updates and presentations. He informed Chairman McKown that there are three items that need Board approval at this time. Mr. Vallet informed the Board that in the committee they did put the fund Western Asset Core Group on the watch list. He noted that Empower will bring a replacement for that fund. He mentioned that the committee voted to add three additional funds to the portfolio allowing our TDC participants to invest in. He stated that the funds that were added were the Empower Lifetime 2030, 2040, 2050 trusts and need Board action.

Vice Chairman McKown said that he would entertain a motion to approve the Empower Lifetime 2030, 2040, 2050 trusts funds being added in the Investment Committee.

Mr. Vallet made a motion to approve the Empower Lifetime 2030, 2040, 2050 trusts being added. Mr. Murray seconded the motion. The motion was adopted.

Mr. Vallet explained the second item for Board action is that the Investment Policy Statement had some slight modifications.

Vice Chairman McKown said that he would entertain a motion to approve the modifications to the Investment Policy Statement made by the Investment Committee.

Mr. Vallet made a motion to approve the modifications to the Investment Policy Statement made by the Investment Committee. Mr. Waybright seconded the motion. The motion was adopted.

Mr. Vallet reviewed the Institutional Separate platform funds and informed the Board that the committee voted to stop collecting fees on funds effective January 1, 2025 and needs Board action.

Vice Chairman McKown said that he would entertain a motion to approve to stop collecting funds on the IS Platform funds effective January 1, 2025.

Mr. Vallet made a motion to approve to approve to stop collecting funds on the IS Platform funds effective January 1, 2025. Mr. Brogan seconded the motion. The motion was adopted.

Mr. Vallet explained paying operation costs and that the Investment Committee voted to make a transfer of funds in the amount of \$325,789 to the general fund to pay our share of the operational cost.

Vice Chairman McKown said that he would entertain a motion to approve transfer of funds in the amount of \$325,789 to the general fund to pay our share of the operational cost.

Mr. Vallet made a motion to approve to approve to transfer of funds in the amount of \$325,789 to the general fund. Mr. Brogan seconded the motion. The motion was adopted.

TAB 6 ANNUAL INTEREST RATES REVIEW FOR ALL PLANS

Vice Chairman McKown stated that the committee met on August 27, 2024 for a very thorough review of all the retirement plans and recognized Mr. Woodson to give the report of the Actuarial Assumption Committee. He stated that there are three items that need Board action.

Mr. Woodson began with by reviewing annual interest rate review for all plans. Mr. Woodson explained that he would need Board action on the approval to continue the 7.25 % interest rate return and discount rate assumption for the nine defined benefit plans, effective with the July 1, 2024 actuarial valuations.

Vice Chairman McKown said that he would entertain a motion to approve to continue the 7.25 % interest rate return and discount rate assumption for the nine defined benefit plans, effective with the July 1, 2024 actuarial valuations.

Mr. Corsaro made a motion to approve to continue the 7.25 % interest rate return and discount rate assumption for the nine defined benefit plans, effective with the July 1, 2024 actuarial valuations. Ms. Marchio seconded the motion. The motion was adopted.

Mr. Woodson then reviewed the 2024 Inflation rate and stated that the Actuarial Assumption review committee needs Board approval to continue the 2.75% per year inflation rate assumption for the nine defined benefit plans, effective with the July 1, 2024 , actuarial valuations.

Vice Chairman McKown said that he would entertain a motion to approve to continue the 2.75% inflation rate assumption for the nine defined benefit plans, effective with the July 1, 2024 actuarial valuations.

Mr. Vallet made a motion to approve approval to continue the 2.75% inflation rate assumption for the nine defined benefit plans, effective with the July 1, 2024 actuarial valuations. Mr. Murray seconded the motion. The motion was adopted.

Mr. Woodson gave a brief review of the 2024 PERS experience study and recommended that the Board approve to adopt all the proposed PERS assumptions outlined in the 2024 PERS experience study report effective June 30, 2024 for PERS financial disclosure purposes and effective July 1, 2024 for the PERS actuarial valuation for funding.

Vice Chairman McKown said that he would entertain a motion to approve to adopt all the proposed PERS assumptions outlined in the 2024 PERS experience study report effective June 30, 2024 for PERS financial disclosure purposes and effective July 1, 2024 for the PERS actuarial valuation for funding.

Mr. Vallet made a motion to approve to adopt all the proposed PERS assumptions outlined in the 2024 PERS experience study report effective June 30, 2024 for PERS financial disclosure purposes and effective July 1, 2024 for the PERS actuarial valuation for funding. Mr. Waybright seconded the motion. The motion was adopted.

Mr. Woodson finished by reviewing the Actuarial Equivalence review for PERS and mentioned that in the Actuarial Assumptions review committee spent two hours reviewing this material in the meeting held on Monday August 26, 2024.

Mr. Woodson offered to answer any questions from the Board.

**TAB 7
OLD BUSINESS**

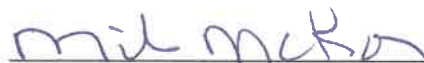
Vice Chairman McKown inquired as to any old business to come before the Board. None was heard.

**TAB 8
NEW BUSINESS**

Vice Chairman McKown inquired as to any new business to come before the Board. None was heard.

ADJOURNMENT

Vice Chairman McKown stated there being no further business to come before the Board, the meeting was adjourned at 11:02 a.m.



Mike McKown, Vice Chairman
WV Consolidated Public Retirement Board



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