

**MINUTES OF THE
WV CONSOLIDATED PUBLIC RETIREMENT BOARD
BOARD OF TRUSTEES MEETING
MEETING OF JANUARY 15, 2014**

A meeting of the West Virginia Consolidated Public Retirement Board (CPRB) Board of Trustees was held in the CPRB Conference Room at 4101 MacCorkle Avenue, SE, Charleston, West Virginia 25304, and was called to order at 10:01 a.m. by Chairman David Wyant.

Roll Call was taken.

Trustees present were:

David Wyant, Esquire, Chairman
Mack Parsons, *representing Auditor Glen Gainer III*
Josh Stowers, *representing Treasurer John Perdue*
Donna Lipscomb, *representing Cabinet Secretary Ross Taylor*
Captain Michael Corsaro
Joe Lynch
D. Todd Murray
Andrew Richardson, Esquire
Jeffrey Vallet

Trustees not present:

Joseph Garcia, Esquire, *representing Governor Earl Ray Tomblin*
Thomas Bradley
Joseph Bunn, Esquire

A quorum was present.

Due notice had been posted.

Also in attendance were:

Jeffrey E. Fleck, CPRB Executive Director
Terasa Miller, Deputy Director
Jeaneen Legato, Esquire, CPRB General Counsel
Candi Moore, CPRB Executive Assistant
Jack DeBolt, Esquire, Hearing Officer
Lenna Chambers, Esquire, Bowles Rice
Andrew Wyne, Great-West Retirement Services, Outreach Officer
Tom Sauvageot, WVIMB
Norm Buckwalter, LRWL
David Driscoll, Buck Consultants
Phil Shimer, PSG
Harry Mandel, CPRB Actuary

Melody Bailey, CPRB Actuary Analyst
Darden Greene, CPRB CFO
John Beane, CPRB Chief IT Officer
Cindy Boyd, CPRB Computer Project Manager
Annamarie Short, CPRB Internal Auditor
Steve Stockton, CPRB Compliance Officer
Alysia Miller, CPRB Paralegal
Jennifer Asbury, CPRB Office Assistant
Chrissy Courtney, CPRB Outreach Coordinator
Eric Stringer, CPRB IT Staff
Chris Bush, CPRB Uniform Services Retirement Advisor
Deana Gose, CPRB Uniform Services Manager
Lisa Trump, CPRB PERS Manager
Caroline Brady, CPRB PERS Assistant Manager
Torrrie Williams, CPRB PERS Membership

Chairman Wyant introduced Mr. Jeffrey Vallet from Logan County to the Board and welcomed him as a Member to the CPRB Board.

Tab 1: Approval of the December 18, 2013 Meeting Minutes

Mr. Richardson made a motion to approve the December 18, 2013 minutes of the CPRB. The motion was seconded by Mr. Murray. The motion carried unanimously. The minutes are located behind Tab 1.

Mr. Bunn arrived at 10:03 a.m.

Tab 2: Reports of the Chairman and Executive Director

The Board heard the report from Executive Director Jeffrey Fleck which included the following information:

1. Executive Director Fleck announced he would like to thank Candi Moore for catering for the Board today; she stepped in and brought in all of the warmers and dishes from her home and set the food up for us today since the caterer we normally used is shut down due to the no-use water emergency and they cannot use the water.
2. Executive Director Fleck reviewed the December 2013 Teachers' Retirement System (TRS) and Public Employees Retirement System (PERS) retirement and estimate numbers. He reported there were 82 TRS Estimates and 56 TRS Retirements for December. In PERS, there were 257 Estimates and 116 Retirements for December.
3. Executive Director Fleck announced to the Board that the CPRB has received the Government Finance Officers Association (GFOA) award and passed the plaque

around for all of the Board Members to see.

4. Executive Director Fleck reported to the Board the CPRB's employee of the Month, Claudia White's picture is located on the front page of the Quotes, Notes & Anecdotes. Claudia has been named the Employee of the Month for January 2014.
5. Executive Director Fleck reported to the Board on the Annuity Quarterly Counts on all Plans.
6. Executive Director Fleck announced we have submitted the State Police Disability Report for 2012 and 2013 for Plan's A & B to the Governor's Office.
7. Executive Director Fleck reviewed the TRS Statements that were mailed to all of our members.
8. Executive Director Fleck reviewed the Teachers' Defined Contribution (TDC) 2013 Educational Meetings. He announced there have been a total of 91 meetings this year.
9. Executive Director Fleck reported to the Board the TDC Reality Investing statistics are in the Board books. He announced that Reality Investing had a total of 4,907 participants and \$378,419,130 in total assets as of December 31, 2013.
10. Executive Director Fleck reviewed the delinquent employers list with the Board.
11. Executive Director Fleck reported to the Board on the Computer Update. He announced we have a contract but we are waiting for the software vendors to sign the WV96 and WV96A and return them to us.

Mr. Garcia, representing the Governor's Office arrived at 10:08 a.m.

12. Executive Director Fleck informed the Board that training has been provided to managers on the changes taking place at the CPRB with the new computer system. Mark Isabella from Personnel trained all managers on "Change Leadership."
13. Executive Director Fleck informed the Board that he will be continuing training on "Change Management" for all CPRB staff with Mr. Isabella from Personnel.
14. Executive Director Fleck reported to the Board that the 1099R's will be mailed to the members by the end of January.
15. Executive Director Fleck reported to the Board on the December 2013 CPRB Financials; he reported that as of December 31st we are at 30.72% of budget.
16. Executive Director Fleck reported on the January Legislative Interims with the Board. Director Fleck announced that the Legislature started on January 8, 2014

and will end on March 8, 2014.

17. Executive Director Fleck reminded the Board Members that the Ethics information needs to be completed and sent in by February 1, 2014.

The Reports of the Chairman and Executive Director are located behind Tab 2.

Tab 3: Plans Investment Data

Tom Sauvageot of the West Virginia Investment Management Board (WVIMB) reviewed with the Board the plan's investment returns for November 2013.

Andrew Wyne, Great-West Retirement Services, reported to the Board on the TDC investments and Reality Investing. The Plan's Investment Data reports are located behind Tab 3.

Tab 4: Consideration of Current Disability Retirement Applications

Captain Corsaro reported the Disability Committee met on December 17, 2013, and the Committee makes the following recommendations to the Board:

System	Approved	Denied	Total
DSRS	1 Partial Duty	0	1 Partial Duty
PERS	3	1	4
SP-Plan B	1 Total Duty	0	1 Total Duty
TRS	3	0	3
TRS/TDC Transfers	8	0	8
TOTAL	16	1	17

Mr. Lynch made a motion the Board accept the Disability Committee's recommendations concerning the disability retirement applications. The motion was seconded by Mr. Bunn. The motion carried unanimously. The disability list is behind Tab 4.

Tab 5: Consideration of Appeals to the Hearing Officer – Jack DeBolt

Chairman Wyant announced he would now entertain a motion to go into Executive Session to discuss medical and legal matters.

Mr. Vallet made a motion the Board go into Executive Session to discuss medical issues

and legal matters as allowed by West Virginia Code § 6-9A-4. The motion was seconded by Mr. Bunn. The motion carried unanimously. The Board went into Executive Session at 10:17 a.m.

Chairman Wyant reconvened the Public Session of the January 15, 2014 meeting of the CPRB from Executive Session at 10:56 a.m. Chairman Wyant stated the Board was in Executive Session to discuss medical issues and legal matters as allowed by West Virginia Code § 6-9A-4. He announced there were no decisions made during Executive Session. We will now return to Tab #5 on the Agenda, Consideration of Appeals to the Hearing Officer, Jack DeBolt.

Hearing Officer DeBolt reviewed with the Board the Appeal of Eugene K. McCoy on whether or not a member otherwise entitled to purchase service credit for public employment in another state is required to pay a sum actuarially equivalent to what his contributions and earnings would have been as a participant in PERS at the time of his out-of-state service. Hearing officer DeBolt recommended that the appeal of Eugene K. McCoy to acquire service credit for public employment in another state without the payment of interest be denied.

Mr. Richardson made a motion the Board accept the Hearing Officer's recommended decision and deny the appeal of Eugene K. McCoy. Mr. Vallet seconded the motion. The motion carried unanimously.

Hearing Officer DeBolt reviewed with the Board the Appeal of James E. Owens on whether or not the Applicant is entitled to military service credit in PERS. Hearing officer DeBolt recommended that the appeal of James E. Owens for military service credit be denied.

Mr. Bunn made a motion the Board accept the Hearing Officer's recommended decision and deny the appeal of James E. Owens. Mr. Vallet seconded the motion. The motion carried unanimously. The Appeals are located behind Tab 5.

Tab 6: Work in Progress Reports from Legal Counsel

Work in Progress Reports from In-House Legal Counsel – Jeaneen Legato

In-House Legal Counsel, Jeaneen Legato, 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 reported on the LTHS case of Miles J. Slack in the PERS and DSRS Plans. Mr. Slack was a Clay County Sheriff who worked for the Clay County Commission. He was found guilty of one felony count of illegal wiretapping.

Ms. Legato recommended the Board disqualify Miles J. Slack in DSRS and PERS and proceed with Less Than Honorable Service against him and his pension be terminated.

Captain Corsaro made a motion the Board grant the In-House Legal Counsel to proceed with LTHS against Miles J. Slack. The motion was seconded by Mr. Lynch. Mr. Bunn abstained from the vote and left the room. The motion carried.

The report of the In-House Legal Counsel is located behind Tab 6.

Outside Legal Counsel Presentation – Lenna Chambers, Bowles Rice:

Outside Legal Counsel, Lenna Chambers, reported to the Board on all pending legal matters before the Circuit Court, Supreme Court, U.S. District Court, U.S. Bankruptcy Courts and Administrative and QDRO matters.

The report of Outside Legal Counsel is located behind Tab 6.

Executive Director Fleck reviewed with the Board on the report from Pullin, Fowler, Flanagan, Brown & Poe on the case of Dougherty v. CPRB.

The report from Pullin, Fowler, Flanagan, Brown & Poe is located behind Tab 6.

Tab #7: 2013 Valuations – Buck Consultants – David Driscoll

Mr. David Driscoll of Buck Consultants reviewed the July 1, 2013 Actuarial Valuations of the West Virginia Consolidated Public Retirement Board's Retirement Plans with the Board.

Mr. Driscoll reviewed the Public Employees Retirement System (PERS) valuation with the Board.

Mr. Vallet made a motion the Board accept the valuation as presented by Mr. Driscoll for the Public Employees Retirement System (PERS). Mr. Bunn seconded the motion. The motion carried unanimously.

Mr. Driscoll reviewed the Teachers Retirement System (TRS) valuation with the Board.

Mr. Vallet made a motion the Board accept the valuation as presented by Mr. Driscoll for the Teachers Retirement System (TRS). Mr. Bunn seconded the motion. The motion carried unanimously.

Mr. Driscoll reviewed the valuation for the Department of Public Safety, Death, Disability and Retirement System, Plan A.

Mr. Bunn made a motion the Board accept the valuation as presented by Mr. Driscoll for the Department of Public Safety, Death, Disability and Retirement System, Plan A. Mr. Lynch seconded the motion. The motion carried unanimously.

Mr. Driscoll reviewed the State Police, Plan B Retirement System valuation with the Board.

Mr. Vallet made a motion the Board accept the valuation as presented by Mr. Driscoll for the State Police, Plan B Retirement System. Mr. Richardson seconded the motion. The motion carried unanimously.

Mr. Driscoll reviewed the Judges Retirement System (JRS) valuation with the Board.

Mr. Bunn made a motion the Board accept the valuation as presented by Mr. Driscoll for the Judges Retirement System. Mr. Richardson seconded the motion. The motion carried unanimously.

Chairman Wyant asked Mr. Driscoll if GASB 67 and 68 will affect the unfunded liability in any way. Mr. Driscoll answered; no it will not.

The July 1, 2013 Actuarial Valuations report from David Driscoll of Buck Consultants is located behind Tab 7.

Tab 8: Recommended Contribution Rates – Harry Mandel

Harry Mandel, Board Actuary, announced he would be reviewing with the Board the recommendations for the contribution rate changes for PERS, State Police - Plan B and JRS, effective July 1, 2014 based on the July 1, 2013 actuarial valuation results.

Mr. Mandel reviewed the recommended contribution rates for the Public Employees Retirement System (PERS) with the Board.

He recommended the Board decrease the PERS employer contribution rate from 14.5% of payroll to 14.0% effective July 1, 2014.

Mr. Richardson made a motion the Board adopt the recommendation of the Board Actuary and decrease the PERS employer contribution rate from 14.5% of payroll to 14.0% effective July 1, 2014. The motion was seconded by Mr. Lynch. The motion carried unanimously.

Mr. Mandel reviewed the recommended contribution rates for the State Police, Plan B with the Board.

He recommended the Board reduce the member contribution rate from 13% to 12% effective July 1, 2014 as set by statute due to attaining a 94.7% funded ratio; and decrease the State Police, Plan B employer contribution rate from 14.5% of payroll to 13.5% effective July 1, 2014.

Captain Corsaro made a motion the Board adopt the recommendation of the Board Actuary and reduce the member contribution rate from 13% to 12% effective July 1, 2014 as set by statute due to attaining a 94.7% funded ratio; and decrease the State Police – Plan B employer contribution rate from 14.5% of payroll to 13.5% effective July 1, 2014. The motion was seconded by Mr. Richardson. The motion carried unanimously.

Mr. Mandel reviewed the recommended contribution rates for the Judges Retirement System (JRS) with the Board.

He recommended the Board continue the Member Contribution Rate of 7% of pay effective July 1, 2014 for FY2015; and to maintain the Employer contribution at the Employer Normal Cost.

Mr. Bunn made a motion the Board adopt the recommendation of the Board Actuary and continue the Member Contribution Rate of 7% of pay effective July 1, 2014 for FY2015; and to maintain the Employer contribution at the Employer Normal Cost. The motion was seconded by Mr. Vallet. There was discussion on the motion. The motion carried unanimously.

The July 1, 2014 Recommended Employer Contribution Rates are located behind Tab 8.

Tab 9: Actuarial Factors for Plan Administration – Harry Mandel

Harry Mandel, Board Actuary, reviewed with the Board on the Actuarial Factors for Plan Administration for the calendar year of 2014.

Mr. Mandel recommended that the Board approve the extension of the 2013 Actuarial Assumptions for daily administration to 2014 without modifications for the eight defined benefit plans.

Mr. Vallet made a motion the Board approve the extension of the 2013 Actuarial Assumptions for daily administration to 2014 without modifications for the eight defined benefit plans. Mr. Parsons seconded the motion. The motion carried unanimously.

The July 1, 2014 Recommended Contribution Rate Changes are located behind Tab 9.

Tab 10: 2014 Proposed Legislation

Deputy Director Miller reviewed the proposed legislation for the State Police Retirement System with the Board and recommended the Board's approval.

Mr. Garcia made a motion the Board accept the recommendations of staff and to submit the proposed legislation for the State Police Retirement System to the Legislature for further action. The motion was seconded by Mr. Bunn. The motion carried unanimously.

The 2014 Proposed Legislation is located behind Tab 10.

Tab 11: Other, Old Business

Chairman Wyant asked if there was any old business to bring before the Board. None was heard.

Tab 12: Other, New Business

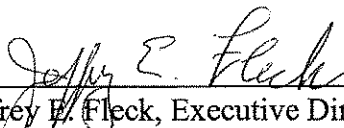
Chairman Wyant asked the Board if there was any new business to bring before the Board. Captain Corsaro informed the Board Members they could fill out their Ethics information on-line now.

Chairman Wyant asked the Board if there was any other new business to bring before the Board. None was heard.

Chairman Wyant adjourned the January 15, 2014 meeting of the West Virginia Consolidated Public Retirement Board at 12:02 p.m.



David Wyant, Chairman
Consolidated Public Retirement Board



Jeffrey E. Fleck, Executive Director
Consolidated Public Retirement Board