

**MINUTES OF THE  
WV CONSOLIDATED PUBLIC RETIREMENT BOARD  
MEETING OF AUGUST 17, 2011**

A meeting of the West Virginia Consolidated Public Retirement Board (CPRB) of Trustees was held at the Board Conference Room, 4101 MacCorkle Avenue, SE, Charleston, West Virginia 25304, and was called to order at 10:00 a.m. by Chairman David Wyant.

Roll Call was taken and trustees present were:

David Wyant, Esquire, Chairman  
Jeffrey Shawver, Esquire, *representing Governor Earl Ray Tomblin*  
Diana Stout, Esquire, *representing Treasurer John Perdue*  
Donna Lipscomb, *representing Cabinet Secretary Robert Ferguson*  
Mack Parsons, *representing Auditor Glen Gainer*  
Thomas Bradley  
Joseph Bunn, Esquire  
Captain Michael Corsaro  
Joe Lynch  
Todd Murray  
Sergeant Tony Payne  
Andrew Richardson, Esquire

Trustees not present:

Drema Evans  
David Fletcher

A quorum was present. Due notice had been posted.

Also in attendance were:

Terasa L. Miller, CPRB Acting Executive Director  
Candi Moore, CPRB Executive Assistant  
Jeaneen Legato, Esquire, CPRB General Counsel  
Lenna Chambers, Esquire, Bowles Rice McDavid Graff and Love  
Jack DeBolt, Esquire, Hearing Officer  
Anne Charnock, Esquire, Hearing Officer  
Jeffrey Fleck, CPRB Compliance Officer  
Kris Morton, Great West Regional Manager  
Andrew Wyne, Great West Outreach Officer  
Craig Slaughter, Executive Director WVIMB  
Eric Stringer, CPRB IT Specialist  
Harry Mandel, CPRB Board Actuary  
Melody Bailey, CPRB Actuarial Analyst  
Annamarie Short, CPRB Internal Auditor  
Lisa Trump, CPRB PERS Manager  
Caroline Brady, CPRB PERS Assistant Manager  
Brittany Smith, CPRB TRS Staff  
Darden Greene, CPRB Chief Financial Officer  
Jessie Kimmins Kessel, Appellant

**Tab #1: Approval of the July 6, 2011 Meeting Minutes**

Mr. Richardson moved to approve the July 6, 2011 minutes of the CPRB. The motion was seconded by Mr. Murray. The motion carried unanimously. The minutes are located behind Tab #1.

**Tab# 2: Reports of the Chairman and Acting Executive Director**

Chairman Wyant introduced and welcomed Mr. Joseph Bunn who was appointed by Governor Tomblin to serve on the Board as a non-member citizen for the unexpired term ending June 30, 2012 pursuant to the provisions of W.Va. Code §5-10D-1.

The Board heard the report from Acting Executive Director Miller which included the following information:

1. Acting Director Miller reviewed with the Board the July 2011 retirement numbers and estimates for the CPRB.
2. Acting Director Miller welcomed Mr. Joseph Bunn and reported that they met for Board member orientation.
3. Acting Director Miller introduced Darden Greene, the new CPRB Chief Financial Officer (CFO). Mr. Greene began employment on August 1, 2011.
4. Acting Director Miller reported the CPRB also has a new Programmer Analyst III, Shovik Sengupta. Mr. Sengupta began in our Information Technology (IT) section on July 18, 2011.
5. Acting Director Miller reported to the Board that all Public Employees Retirement System (PERS) retirees who were presented at the last board meeting for suspension of their annuity due to failure to submit re-certification documentation have since complied and were not suspended.
6. Acting Director Miller reported the one-time bonus checks approved by the Legislature during the 2011 Legislative session were mailed out on July 27, 2011 to approximately 2,000 PERS and Teachers' Retirement System (TRS) retirees.
7. Acting Director Miller informed the Board of Teacher Defined Contribution (TDC) updates.
8. Acting Director Miller informed the Board the CPRB is working on the agreement with Great West and will be bringing the agreement before the full Board at the September Board Meeting.
9. Acting Executive Director Miller reviewed the TDC Plan and the Reality Investing with the Board.

10. Acting Executive Director Miller reported on the TDC and TRS Fall Outreach Meetings that are scheduled for September and October 2011.
11. Acting Director Miller informed the Board that Board Actuary Harry Mandel and Melody Bailey will be going to Washington, D.C., to meet with Buck Consultants regarding the TRS Experience Study on August 19, 2011.
12. Acting Director Miller informed the Board we will need to have an Actuarial Assumptions Committee Meeting before the September Board Meeting once Harry and Melody return from Washington, D.C.

Chairman Wyant announced he would like to make changes to the Actuarial Assumptions Committee. The Committee will now be composed as follows:

Kurt Dettinger – Chair

Drema Evans

David Fletcher

Joe Lynch

Joseph Bunn

13. Acting Director Miller informed the Board that on September 6, 8 and 9th the Computer System Update Project will be having vendor demonstrations from 8:30 a.m. to 5:00 p.m. Board Members are welcome to attend.
14. Acting Director Miller reported site visits will occur the week of September 12th to New York Teachers System, Iowa PERS and Louisiana State Employees System.
15. Acting Executive Director Miller reviewed the Data Cleansing and Conversion update with the Board.
16. Acting Executive Director Miller reviewed the July 2011 Financials with the Board.
17. Acting Executive Director Miller informed the Board that Gibbons and Kawash will begin their Annual Financial Audit at the CPRB on August 22, 2011.
18. Acting Executive Director Miller informed the Board of the GASB 25 and 27 changes. She explained that the accounting snapshot will be reported separately and differently from pension funding. Comments on these GASB changes are due September 30, 2011. Final standards are expected to be released in early 2012 and will be effective in 2013.
19. Acting Executive Director Miller informed the Board that she and Lisa Trump

- attended the NASRA Conference in Wisconsin from August 5 through August 10, 2011. She informed the Board that 40 other states have developed Tier Two Plans.
20. Acting Executive Director Miller reported the Bowles Rice contract ends on August 31, 2011. They have agreed to continue under the same terms and conditions of their previous contract. This contract will need approval from the full Board.
  21. Acting Executive Director Miller informed the Board that Barbara Moss has received her certification from the Certificate of Achievement in Public Plan Policy (CAPPP) exam she took in June, 2011.
  22. Acting Executive Director Miller informed the Board that Andy Dean, Senior Retirement Advisor for the CPRB has returned to the office after seven months of deployment in Qatar on active military duty. Staff had a welcome back surprise party for Andy and he was featured in the Quotes, Notes & Anecdotes published by the Department of Administration. Acting Executive Director Miller also informed the Board that Andy Dean had nominated the CPRB for the Patriot Award which we did receive. A copy of the Quotes, Notes & Anecdotes is in the Board Books behind Tab 2. Acting Executive Director Miller's report is located behind Tab #2.

**Tab #3: Plans Investment Data**

West Virginia Investment Management Board (WVIMB) Executive Director Craig Slaughter reviewed with the Board the Plans Investment Data for month ending June 30, 2011.

Kris Morton of Great West reviewed the TDC Investment data as of June 30, 2011 with the Board. The Plans Investment Data reports are behind Tab #3.

**Tab #4: Consideration of Current Disability Retirement Applications**

Mr. Murray reported to the Board the Disability Committee met on August 16, 2011 and makes the following recommendations to the full Board:

<b>System</b>	<b>Approved</b>	<b>Denied</b>	<b>Total</b>
<b>DSRS</b>	1*	0	1*
<b>PERS</b>	13	1	14
<b>Plan B</b>	1**	0	1**
<b>TDC</b>	1	0	1

<b>TRS</b>	<b>4</b>	<b>2</b>	<b>6</b>
<b>TDC/TRS TRANSFERS</b>	<b>4***</b>	<b>0</b>	<b>4***</b>
<b>TOTAL</b>	<b>24</b>	<b>3</b>	<b>27</b>

\* Partial non-duty.

\*\*Partial duty.

\*\*\* One of the four approvals are conditioned upon a 1-year re-exam.

Captain Corsaro moved the Board accept the Disability Committee's recommendations concerning the disability retirement applications. The motion was seconded by Mr. Richardson. There was discussion and the motion carried unanimously.

Mr. Murray also reported the Disability Committee recommends to discontinue the TRS Medical Recertification of Barbara Harvey, and cease her annuity on September 1, 2011, due to not obtaining recertification information. Captain Corsaro made a motion to adopt the recertification's of the Disability Committee. The motion was seconded by Mr. Parsons. The motion carried unanimously. The disability list is behind Tab #4.

**Tab #5: Consideration of Appeals to Hearing Officers**

**Hearing Officer Jack DeBolt**

Hearing Officer DeBolt addressed the appeal of Sally M. Taylor on whether or not the Applicant is eligible to retain her participation in TRS and to commence an annuity therefrom.

It is recommended that the request of Sally M. Taylor to retain her participation in TRS and be permitted to receive an annuity therefrom be approved.

Ms. Stout made a motion to accept the recommendation of the Hearing Officer and approve the appeal of Sally M. Taylor. The motion was seconded by Mr. Shawver. There was discussion on the motion and the motion carried unanimously.

**Hearing Officer Anne Charnock**

Hearing Officer Charnock addressed the appeal of Jessie Kimmins Kessel on whether or not the Applicant can transfer her membership from the TDC System to TRS, although she never submitted a request to make this transfer.

The statute set definite deadlines in which to transfer from TDC to TRS. Applicant did not

submit the request. The Board has no statutory authority to accept any request to transfer after May 20, 2008.

Applicant did not timely request a transfer from TDC to TRS. It is recommended that the appeal of Jessie Kimmins Kessel should be denied.

Mr. Richardson made a motion to accept the Hearing Officer's recommendation and to deny the appeal of Jessie Kimmins Kessel. The motion was seconded by Captain Corsaro. There was discussion on the motion and the motion carried unanimously. The Recommended Decisions are located behind Tab #5.

**Tab #6: Work in Progress Reports from Legal Counsel**

Mr. Richardson made a motion the Board go into Executive Session to discuss legal matters, less than honorable service (LTHS), personnel and contractual matters as allowed by West Virginia Code §6-9A-4. The motion was seconded by Mr. Lynch. The Board went into Executive Session at 10:30 a.m.

The Chairman reconvened the Public Session of the August 17, 2011 meeting of the Consolidated Public Retirement Board from Executive Session at 11:21 a.m. Chairman Wyant stated the Board was in Executive Session to discuss legal matters, LTHS, personnel and contractual matters. He announced there were no decisions made during Executive Session. The Board will return to Tab #6 of the Agenda: Work in Progress Reports from Legal Counsel.

**In-House Legal Counsel Presentation – Jeaneen Legato, Board Counsel:**

Mr. Richardson made a motion to extend the Bowles Rice contract for one year under the same terms and conditions. Mr. Lynch seconded the motion. Mr. Shawver recused himself from the vote. The motion carried unanimously.

In-House Legal Counsel Jeaneen Legato reviewed her report with the Board on all pending legal matters. She reported on Administrative, Circuit Court, Supreme Court and LTHS cases.

Ms. Legato reviewed the case of Michael Piziak with the Board. She informed the Board this is a TDC to TRS appeal challenging the Board's denial of Mr. Piziak's untimely request to transfer from TDC to TRS. Mr. Piziak is represented by J. Robert Leslie, and was assigned to Judge Paul Zakaib. On June 30, 2011, Judge Zakaib entered an Order received on July 6, 2011 reversing the Board's Final Order. On July 10, 2011, we filed a Motion for Relief from Judgment Due to Mistake. On July 14, 2011, Judge Zakaib denied our motion and issued an Amended Order

reversing the Board's Final Order.

Chairman Wyant asked the Board if they wanted to make a motion to appeal the Michael Piziak Circuit Court decision of Judge Zakaib. None was heard.

Ms. Legato reviewed the case of Archie Hubbard. She informed the Board on April 15, 2011 counsel for Mr. Hubbard, Lonnie Simmons, filed a Writ of Mandamus in the Circuit Court of Kanawha County requesting an administrative hearing as to whether he can transfer his disability from PERS to EMSRS or a ruling on the ultimate issue. On May 16, 2011, we filed a 12(b)(6) Motion to Dismiss. On July 20, 2011, at the conclusion of the hearing on our motion, Judge Zakaib ruled that Mr. Hubbard should be given an administrative hearing on the issue and requested that Mr. Simmons prepare the Order.

Chairman Wyant asked the Board if they wanted to make a motion to appeal the Circuit Court's decision on Archie Hubbard. None was heard.

Ms. Legato brought before the Board the LTHS case of Diana Cosco a former administrative assistant from the Marion County Commission who was convicted for embezzlement. It is recommended by Legal Counsel to file a petition to disqualify Diana Cosco for Less Than Honorable Service.

Captain Corsaro made a motion for Board Counsel to file a petition to disqualify Diana Cosco for Less Than Honorable Service. The motion was seconded by Mr. Richardson. The motion carried unanimously.

Ms. Legato brought before the Board the LTHS case of Billy Gillenwater in TRS who was convicted of felony grand larceny, committed while he was a Guyandott custodian. It is recommended by Legal Counsel to file a petition to disqualify Billy Gillenwater for Less Than Honorable Service.

Captain Corsaro made a motion for Board Counsel to file a petition to disqualify Billy Gillenwater for Less Than Honorable Service. The motion was seconded by Mr. Parsons. The motion carried unanimously.

Ms. Legato brought before the Board the LTHS case of Stephen Burkhart, a PERS Member who was convicted of felony fraudulent schemes committed while he was employed by the Bluefield Sanitary Board. It is recommended by Legal Counsel to file a petition to disqualify Stephen Burkhart for Less Than Honorable Service.

Captain Corsaro made a motion for Board Counsel to file a petition to disqualify Stephen Burkhart for Less Than Honorable Service. The motion was seconded by Mr. Richardson. The motion carried unanimously.

Ms. Legato brought before the Board the LTHS case of Robert Honaker, the Executive Director of the Bluefield Sanitary Board, who was found guilty of 4 counts of fraudulent schemes. It is recommended by Legal Counsel to file a petition to disqualify Robert Honaker for Less Than Honorable Service.

Captain Corsaro made a motion for Board Counsel to file a petition to disqualify Robert Honaker for Less Than Honorable Service. The motion was seconded by Mr. Richardson. The motion carried unanimously. The report of the In-House Legal Counsel is 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.

Ms. Chambers brought before the Board the case of Michael Ellis, a Circuit Court Case before Judge Kirkpatrick in Raleigh County. The Petitioner appeals the Board's June 23, 2010 Final Order denying his request for a partial duty-related disability retirement from Trooper Plan A. The Petitioner, represented by Richard Monahan, Esquire, alleges that the Board wrongly denied his application for disability retirement on the basis of hearing loss, having concluded that hearing aids would permit him to remain employed. The Petitioner further alleges that the State Police cannot permit or require a trooper to wear hearing aids in order to remain employed or satisfy physical ability standards. A decision was received from the Raleigh Circuit Court reversing the Board's denial of partial duty disability benefit under State Police Plan A.

Chairman Wyant asked the Board if they wanted to make a motion to appeal the Circuit Court's decision on Michael Ellis. None was heard. The report of the Outside Legal Counsel is behind Tab #6.

**Tab #7: Committee Updates**

**Executive Director Search Committee:**

Chairman Wyant reported the Executive Director Search Committee met today and hope to have a substantive report by the September Board Meeting.



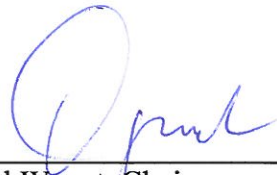
**Tab #8: Other, Old Business**

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

**Tab #9: Other, New Business**

Chairman Wyant asked for new business and none was heard. Chairman Wyant announced the next Board Meeting will be Wednesday, September 28, 2011.

Chairman Wyant adjourned the public meeting of the West Virginia Consolidated Public Retirement Board at 11:35 a.m.



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David Wyant, Chairman  
Consolidated Public Retirement Board



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Terasa L. Miller, Acting Executive Director  
Consolidated Public Retirement Board