

**MINUTES OF THE
WV CONSOLIDATED PUBLIC RETIREMENT BOARD
BOARD OF TRUSTEES MEETING
MEETING OF AUGUST 21, 2013**

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 11:11 a.m. by Chairman David Wyant.

Roll Call was taken.

Trustees present were:

David Wyant, Esquire, Chairman
Joseph Garcia, Esquire, *representing Governor Earl Ray Tomblin*
David Fletcher, *representing Auditor Glen Gainer III*
Diana Stout, Esquire, *representing Treasurer John Perdue*
Cabinet Secretary Ross Taylor
Joseph Bunn, Esquire
Captain Michael Corsaro
Joe Lynch
D. Todd Murray
Tony Payne
Andrew Richardson, Esquire

Trustees not present:

Thomas Bradley

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
Lenna Chambers, Esquire, Bowles Rice
Jack DeBolt, Esquire, Hearing Officer
Andrew Wyne, Great-West Retirement Services, Outreach Officer
Tom Sauvageot, WVIMB
Norm Buckwalter, LRWL
Phil Shimer, TSG
Paula Wilson, Esquire, William Lemon Appeal
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
Cindy Adkins, CPRB Office Manager
Bill McClanahan, Office of Technology
Chrissy Courtney, CPRB Outreach Coordinator
Eric Stringer, CPRB IT Staff
Deana Gose, CPRB Uniform Services Manager
Lisa Trump, CPRB PERS Manager
Caroline Brady, CPRB PERS Assistant Manager
Torrie Williams, CPRB PERS Membership

Tab 1: Approval of the July 10, 2013 Meeting Minutes

Mr. Bunn made a motion to approve the July 10, 2013 minutes of the CPRB. The motion was seconded by Mr. Fletcher. The motion carried unanimously. The minutes are located behind Tab 1.

Tab 2: Reports of the Chairman and Executive Director

Chairman Wyant announced to the Board that Board Member Drema Evans resigned from the Board; he thanked her for her long tenure with the Board.

Chairman Wyant announced with Drema's resignation, he would now make appointments to fill her vacancy on committees. He announced the following appointments to Committees:

Todd Murray, Chairman of the Disability Committee

Joe Bunn, Chairman of the Accounting & Investment Committee

Joe Bunn, member of the Investment Policy Review Committee

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

Eric Stringer, CPRB IT Staff gave the Board a presentation on how to use the new Board Book Tablets/E-readers.

1. Executive Director Fleck reviewed the July 2013 Teachers' Retirement System (TRS) and Public Employees Retirement System (PERS) retirement and estimate numbers. He reported there were 130 TRS Estimates and 30 TRS Retirements for July. In PERS, there were 229 Estimates and 65 Retirements for July.
2. Executive Director Fleck reported to the Board on the PERS Educational Seminars

throughout the State. He reported the seminars were held during the month of August and reported there were 74 in attendance and 50 surveys were completed.

3. Executive Director Fleck reported to the Board there will be a PERS Benefit Coordinator Seminar held on August 27, 2013 in Flatwoods.
4. Executive Director Fleck reviewed with the Board the Teachers' Defined Contribution (TDC) 2013 Educational Meetings. He announced there have been 60 meetings held so far, with 578 in attendance.
5. Executive Director Fleck reported to the Board the TDC Reality Investing statistics are in the Board book. He announced that as of August 1, 2013 there are 4,961 total participants in TDC, with \$346,747,730 in total assets.
6. Executive Director Fleck reviewed with the Board on the TDC Administrative Fee Holiday for the TDC participants.
7. Executive Director Fleck reviewed the delinquent employers list with the Board.
8. Executive Director Fleck reported to the Board on the CPRB updated website; he reported to the Board that changes have been made to the calculator; the website is more user friendly and a list of all CPRB Board Members have been placed on the site.
9. Executive Director Fleck reported to the Board on the CPRB Tip-line procedures. He reported that a toll-free number has been established; when calls are received, they automatically go to voicemail and messages will be regularly checked by the Compliance Officer; the hotline will be advertised through the Pension Press, Member Outreach Presentations, Employer email blasts, Benefit Coordinator Seminars and the CPRB website.
10. Executive Director Fleck reported to the Board on the July 2013 CPRB Financials; he reported that as of July 31st we are at 5.90% of budget.
11. Executive Director Fleck reported to the Board on the July Legislative Interims. He reported he provided the Pension Committee with a History of Funding of TRS from 1991 forward to 2013. He reported that TRS was 8.8% funded in 1991 and was at 53% in 2012.

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

Tab 3: Plans Investment Data

Tom Sauvageot, Deputy Director of the West Virginia Investment Management Board (WVIMB), reviewed with the Board the plans investment returns for June 2013.

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

Tab 4: Consideration of Current Disability Retirement Applications

Acting Chairman Murray reported the Disability Committee met on August 20, 2013, and the Committee makes the following recommendations to the Board:

System	Approved	Denied	Total
DSRS	2	0	2
PERS	22	2	24
TDC	2	0	2
TRS	1	2	3
TRS/TDC Transfers	4	0	4
TOTAL	31	4	35

Captain Corsaro made a motion the Board accept the Disability Committee’s recommendations concerning the disability retirement applications. The motion was seconded by Mr. Lynch. The motion carried unanimously.

Acting Chairman Murray announced the Committee had the following PERS Annual Income Verification Non-Compliance Recommendations:

- Cynthia Callison
- William Elza
- Samuel McCormick
- Denise Miller
- Kenneth Mowdy

Acting Chairman Murray announced to the Board unless appropriate information is received by August 30, 2013, the Committee requests the Board to discontinue the annuity effective September 1, 2013 until the first day of the month following compliance, and if not received within 1 year from the first notice, disability annuity will be terminated on July 1, 2014.

Mr. Fletcher made a motion the Board accept the Committee recommendation regarding

the above named members and unless appropriate income verification information is received by August 30, 2013, the disability award will be discontinued effective September 1, 2013 until the first day of the month following compliance, and if not received within 1 year from the first notice, the disability annuity will be terminated on July 1, 2014. The motion was seconded by Mr. Payne. The motion carried unanimously.

Acting Chairman Murray announced to the Board the Disability Committee recommends the Board approve and adopt the Disability Recertification Policy for EMSRS.

Mr. Lynch made a motion the Board accept the recommendation by the Disability Committee and adopt the Disability Recertification Policy for EMSRS. The motion was seconded by Mr. Richardson. There was discussion on the motion. The motion carried unanimously. The disability list is behind Tab 4.

Tab 5: Consideration of Appeals from Hearing Officers - Jack DeBolt

Hearing Officer DeBolt addressed the appeal of William M. Lemon as to whether or not the Applicant, upon completing twenty years of actual service with the State Police, will be eligible for five years of non-contributory military service credit. It is recommended by Hearing Officer DeBolt that upon completion of twenty years of actual service with the State Police that William M. Lemon be awarded five years of military service credit.

Mr. Richardson made a motion to accept the recommendation of the Hearing Officer and approve the appeal. The motion was seconded by Mr. Payne. There was discussion on the motion.

Mr. Bunn made a motion to table the motion by Mr. Richardson. The motion was seconded by Mr. Fletcher. By a rising of hands, there were 5 in favor of tabling and 5 opposed. Chairman Wyant voted yes and announced the motion to table passes.

Mr. Bunn made a motion the Board deny the recommendation of the Hearing Officer due to the fact the merits are not ripe for proper adjudication. The motion was seconded by Mr. Garcia. By a rising of hands, there were 4 in favor of the motion and 5 opposed, with Ms. Stout abstaining from the vote. The motion failed.

Chairman asked the Board if there was any other action the Board would like to take on the recommendation.

Ms. Stout made a motion to lift from the table and to reconsider the motion that was tabled. The motion was seconded by Mr. Richardson. The motion carried unanimously.

Chairman Wyant announced he is calling the Question on the motion that is before the Board, and that is to adopt the recommendation of the Hearing Officer. By a rising of hands, there were 5 in favor of the motion and 6 against. The motion failed.

Mr. Garcia made a motion to accept the recommendation of the Hearing Officer with a modification to the Recommended Decision that states in the recommendation: “that upon completion of twenty years of actual service with the State Police, and meeting all of the other statutory requirements, the applicant be awarded five years military service credit”. The motion was seconded by Ms. Stout. There was discussion on the motion. Mr. Richardson called the Question. Chairman Wyant announced the Question has been called. The motion carried. Mr. Bunn voted no. The appeals are located behind Tab 5.

Tab 6: Work in Progress Reports from Legal Counsel

Secretary Taylor made a motion the Board go into Executive Session to discuss legal issues as allowed by West Virginia Code § 6-9A-4. The motion was seconded by Mr. Fletcher. The motion carried unanimously. The Board went into Executive Session at 12:14 p.m.

Chairman Wyant reconvened the Public Session of the August 21, 2013 meeting of the CPRB from Executive Session at 12:42 p.m. Chairman Wyant stated the Board was in Executive Session to discuss legal issues as allowed by West Virginia Code § 6-9A-4. He announced there were no decisions made during Executive Session. The Board will return to 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 reviewed the case of Benny G. Jones with the Board. She reported this is an eligibility appeal that the Board denied Mr. Jones’ eligibility into PERS. Mr. Jones appealed to

Circuit Court in Raleigh County on August 6, 2011. On July 22, 2013 Judge Cummings reversed the CPRB's Final Order and ruled that the CPRB is estopped from denying Mr. Jones participation in PERS. The Board has until today, August 21, 2013 to file a Notice of Appeal with the West Virginia Supreme Court. Ms. Legato recommended the Board file a Notice of Appeal with the Supreme Court.

Mr. Richardson made a motion that In-House Legal Counsel file a Notice of Appeal with the Supreme Court on the Benny G. Jones case, on behalf of the Board. The motion was seconded by Mr. Fletcher. The motion carried unanimously.

Ms. Legato reviewed the LTHS case of Tiffany Petry with the Board. Ms. Petry worked at the Northern Wayne County Public Service District where she was indicted on 22 counts of embezzlement; she pled guilty to 4 of those counts. Ms. Legato recommended the Board terminate Ms. Petry from the Public Employees Retirement System.

Chairman Wyant asked the Board if there was a motion from the Board to provide counsel with the authority to proceed in the Circuit Court on a LTHS case. Captain Corsaro announced he would make that motion. The motion was seconded by Mr. Lynch. There was discussion on the motion.

Chairman Wyant announced the motion was incorrect; the motion is to authorize the Board's Counsel to proceed under the LTHS statutes in regards to Ms. Petry. Captain Corsaro agreed to the correction on the motion. The modified motion was seconded by Mr. Lynch. The motion carried unanimously. 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 the report from Pullin, Fowler, Flanagan, Brown & Poe on the case of Dougherty v. CPRB.

Chairman Wyant directed staff to do a study on the issue of Advisory Opinions and report back to the Board on the options that we have and also, can the Board address this issue by procedural regulations.

Tab 7: Committee Updates

Chairman Wyant passed the Chair to the Vice Chairman, Mr. Fletcher due to a conflict of interest. Chairman Wyant left the room.

Vice Chairman Fletcher announced he would accept a motion from the Board to go into Executive Session to discuss Computer issues.

Captain Corsaro made a motion to go into Executive Session to discuss Computer issues 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 12:51 p.m.

Vice Chairman Fletcher reconvened the Public Session of the August 21, 2013 meeting of the CPRB from Executive Session at 1:09 p.m. Vice Chairman Fletcher stated the Board was in Executive Session to discuss Computer issues as allowed by West Virginia Code § 6-9A-4. He announced there were no decisions made during Executive Session. The Board will return to Tab 7: Committee Updates.

Computer System Update Committee

Chairman Wyant returned to the room.

Captain Corsaro reviewed the Computer System Update Committee meetings that were held on July 8 and July 31, 2013.

Mr. Bunn made a motion the Board award the purchase order to the highest overall scoring and responsive bidder based upon the highest scoring received. The motion was seconded by Captain Corsaro. Mr. Wyant and Mr. Richardson abstained from the vote. The motion carried.

Vice Chairman Fletcher returned the Chair to Chairman Wyant.

Chairman Wyant and Executive Director Fleck thanked the staff and Computer Systems Update Committee for all of their hard work on this computer project. The minutes for the Computer System Update Committee are located behind Tab 7.

Tab 8: GASB 67 – Harry Mandel, Board Actuary

Harry Mandel, Board Actuary reviewed with the Board the proposed GASB 67 changes. He announced there will be a report ready for the September 25, 2013 Board Meeting. Mr. Garcia asked that the report be presented to the Full Board at the September Board Meeting.

Tab 9: Other, Old Business

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

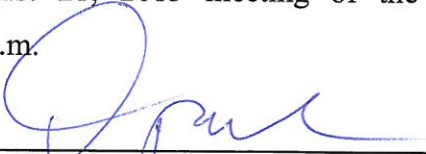
Tab 10: Other, New Business

Chairman Wyant asked the Board if there was any new business to bring before the Board.

Mr. Bunn announced that he and Executive Director Fleck have been looking into new ideas for utilization of the EDC revenue sharing account that is currently being used to provide a Fee Holiday in the TDC Plan; he announced they have been investigating the possibility of employing an outside consultant for oversight. Chairman Wyant announced that another possibility to look at could be the lowering of the participant's fees. No action was taken.

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

Chairman Wyant adjourned the August 21, 2013 meeting of the West Virginia Consolidated Public Retirement Board at 1:16 p.m.



David Wyant, Chairman
Consolidated Public Retirement Board



Jeffrey E. Fleck, Executive Director
Consolidated Public Retirement Board