

**MINUTES OF THE  
WV CONSOLIDATED PUBLIC RETIREMENT BOARD  
MEETING OF MARCH 2, 2011**

A meeting of the West Virginia Consolidated Public Retirement Board of Trustees was held at the Board Conference Room, 4101 MacCorkle Avenue, SE, Charleston, West Virginia 25304, and was called to order at 10:04 a.m. by Chairman David Wyant.

Roll Call was taken and trustees present were:

David Wyant, Esquire, Chairman  
G. Kurt Dettinger, Esquire, *representing Governor Earl Ray Tomblin*  
Mack Parsons, *representing Auditor Glen Gainer*  
Diana Stout, *representing Treasurer John Perdue*  
Captain Michael Corsaro  
Drema Evans  
David Fletcher  
Todd Murray  
Sergeant Tony Payne  
Andrew Richardson, Esquire  
Thomas Bradley

Trustees not present:

Cabinet Secretary Robert Ferguson  
Charles Lanham  
Joe Lynch

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  
Mark Miller, CPRB Chief Financial Officer  
Craig Slaughter, Esquire, WVIMB Executive Director  
Kris Morton, Great West Regional Manager  
Andrew Wyne, Great West Outreach Officer  
Jon White, WVEA  
Sid Fragale, Esquire, McKown Appeal  
Ron McKown, Appellant  
Donna Hardy, DOH  
Alysia Miller, CPRB Paralegal  
Eric Stringer, CPRB IT Officer  
Harry Mandel, CPRB Board Actuary  
Melody Bailey, CPRB Actuary Assistant  
Cindy Boyd, CPRB Project Manager  
Annamarie Short, CPRB Internal Auditor

Lisa Trump, CPRB PERS Manager  
Deana Gose, CPRB Uniformed Services Manager  
Caroline Brady, CPRB PERS Assistant Manager  
Brittany Smith, CPRB TRS Staff

**Tab #1: Approval of the January 19, 2011 Meeting Minutes**

Mr. Richardson moved to approve the January 19, 2011 minutes of the Consolidated Public Retirement Board (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 Acting Executive Director**

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

1. Retirement Numbers: Acting Director Miller reviewed with the Board the January and February retirement numbers for the Public Employment Retirement System (PERS) and the Teachers' Retirement System (TRS).
2. Acting Director Miller reviewed with the Board all of the bills moving this Legislative Session in both the House of Delegates and Senate pertaining to pensions. There were 5 bills and 5 Legislative Rules proposed by this Board, all of which are moving.
3. Acting Director Miller reviewed with the Board the PERS Employer Contribution Increase from 12 ½ % to 14 ½ % effective July 1, 2011. She announced that all PERS employers and associations have been notified of the increase.
4. As requested, Acting Director Miller reported to the Board all delinquent participating employers. Primarily they are PERS participating employers. She reported that since two PERS employers, Town of Pratt Water Works and the Southern Conservation District, have not complied with delinquency notifications, CPRB staff will be sending a letter to all participating employees notifying them that they will not receive their annual retirement statements since contributions are not current. The Auditor's Office has been notified as required pursuant to WV Code § 5-10-33.
5. Acting Director Miller discussed with the Board the TDC Education and Reality Investing from Great West.
6. Harry Mandel and Melody Bailey will begin working on the TRS Experience Study.

7. Acting Director Miller reported the 1099-R mailing went out the end of January 2011. Staff is going to prepare a RFP for this service and further clarify how the actual envelopes are addressed.
8. Acting Director Miller reported that she has completed all of the staff JCQ's.
9. Acting Director Miller reviewed with the Board the CPRB January and February, 2011 Financials; she reported that the agency is at 37.2% of the annual fiscal budget at the end of February
10. Acting Director Miller announced staff is working with Purchasing on the Financial Auditor RFP that was approved at the last Board meeting.
11. Acting Director Miller notified the Board there are CPRB Plan brochures in your board books.
12. Acting Director Miller notified the Board there will be annual Fiduciary Training on April 13, 2011, at 10:00 a.m.; Tom Heywood, Esq. will be conducting the training for all Board Members.
13. Acting Director Miller introduced our new Internal Auditor, Annamarie Short; she was previously an auditor with the Legislative Auditors Office.

Chairman Wyant asked if there were any questions or comments for the Acting Executive Director's report, and none was heard. Acting Executive Director Miller's report is located behind Tab #2.

**Tab #3: Plans Investment Data**

Mr. Craig Slaughter, Executive Director of the Investment Management Board (IMB), reviewed with the Board the current investment information from the IMB as of December 31, 2010 and January 31, 2011. The reports from Mr. Craig Slaughter, Executive Director of the Investment Management Board are behind Tab #3.

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

Ms. Evans reported to the Board the Disability Committee met on March 1, 2011 and makes the following recommendations to the full Board:

<b>System</b>	<b>Yes</b>	<b>No</b>	<b>Total</b>
<b>EMSRS</b>	1	0	1
<b>PERS</b>	11	1	12
<b>TDC</b>	2	0	2
<b>TDC/TRS TRANSFER</b>	8	1	9
<b>TRS</b>	10	0	10
<b>TOTAL</b>	32	2	34

Mr. Fletcher moved the Board accept the Disability Committee's recommendations concerning the disability retirement applications. The motion was seconded by Mr. Murray. The motion carried unanimously.

Mr. Parsons moved the Board terminate the partial duty disability for State Police Plan A retiree Ronald Jones effective April 1, 2011. The motion was seconded by Mr. Murray and the motion carried unanimously. The disability list is behind Tab #4.

**Tab #5: Consideration of Appeals to Hearing Officers – Jack DeBolt**

Hearing Officer DeBolt addressed the request of Ronald McKown, wherein Mr. McKown requests to be permitted military service credit in TRS. It is recommended his appeal be denied.

Mr. Murray moved the Board accept the recommendation of the Hearing Officer and deny the appeal of Ronald McKown for military service credit in TRS. The motion was seconded by Captain Corsaro, and the motion carried unanimously. The Recommended Decision is located behind Tab #5.

*Cabinet Secretary Ferguson arrived at 10:29 a.m.*

**Consideration of Appeals to Hearing Officers – Anne Charnock**

Hearing Officer Charnock addressed the appeal of Janet Turner, wherein Ms. Turner requests her TRS disability payments not be terminated for failure to provide a doctor's statement certifying her continued disability. It is the recommendation of the Hearing Officer that the appeal of Janet Turner be denied

Mr. Fletcher made the motion the Board accept the recommendation of the Hearing Officer and deny the appeal of Janet Turner. The motion was seconded by Mr. Payne. The motion carried,

with Ms. Stout voting against the motion. The Recommended Decision is located behind Tab #5.

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

Chairman Wyant announced there is a *Less than Honorable Service* issue and other legal matters that need to be discussed during Executive Session. Mr. Richardson made a motion the Board go into Executive Session to discuss *Less than Honorable Service* and legal matters mentioned by the Chairman as allowed by West Virginia Code § 6-9A-4. The motion was seconded by Mr. Fletcher. The Board went into Executive Session at 10:37 a.m.

The Chairman reconvened the Public Session of the March 2, 2011 meeting of the Consolidated Public Retirement Board from Executive Session at 11:08 a.m. Chairman Wyant stated the Board was in Executive Session to discuss *Less than Honorable Service* and legal matters. He announced there were no decisions made during Executive Session. The Board will return to Tab #6, Work in Progress Reports from Legal Counsel.

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

In-House Legal Counsel Jeaneen Legato reported to the Board all pending legal matters.

Ms. Legato reported to the Board all administrative appeals presently pending before the Board's Hearing Officer and Circuit Court.

Ms. Legato reviewed with the Board the case of Cindy Ringel-Williams. She had an appeal regarding the definition of *full-time employee* and her eligibility to participate in TDC and TRS. This case has been assigned to Judge Webster in Kanawha County.

Ms. Legato reviewed with the Board the ongoing *Less than Honorable Service* (LTHS) case of Jack Feltner. He is the former Fayette County Deputy Sheriff who was convicted of stealing from the Oak Hill Fire Department where he was President. This case has been assigned to Judge Bloom in Kanawha County.

Ms. Legato reviewed with the Board the *Less than Honorable Service* (LTHS) case of Carolyn Kitchen. She is the former lottery employee who was convicted of making false statements to Federal Investigators and was involved with the Joe C. Ferrell case. She was sentenced last week to 5 years of probation. Ms. Kitchen has requested a judicial determination regarding her LTHS, and this case should be filed sometime this week.

Ms. Legato updated the Board on the Trooper Litigation. This is the case in which the Troopers were requesting to be transferred from Plan B to Plan A. There was a hearing on January 20, 2011 before Judge Stucky where our Motion to Dismiss was heard and both sides were asked

to submit Proposed Orders. On February 23, 2011 your counsel submitted a Proposed Order, and no trial date has been set in this case so far.

Ms. Legato announced to the Board there are two *Less than Honorable Service* cases before the Board for their consideration. First is PERS member, Valerie Beeghly who was convicted of two felony counts of Grand Larceny by Embezzlement and Falsifying Accounts.

Sgt. Payne made the motion for counsel to proceed with the *Less than Honorable Service* case against Valerie Beeghly. The motion was seconded by Mr. Richardson. The motion carried unanimously.

Ms. Legato announced the second *Less than Honorable Service* case before the Board is PERS member Richard Lee Dillon, Jr. Mr. Dillon was convicted of the felony offense of Attempt to Commit a Felony.

Captain Corsaro made a motion for counsel to proceed with the *Less than Honorable Service* case against Richard Lee Dillon, Jr. The motion was seconded by Mr. Fletcher and 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 and U.S. Bankruptcy Courts. The report of the Outside Legal Counsel is behind Tab #6.

#### **Tab #7: Committee Updates**

##### **Accounting and Investment Committee:**

Mr. Fletcher reviewed with the Board the Minutes for the January 19, 2011 Accounting and Investment (A&I) Committee Meeting. The A & I Committee recommends the Board approve the TDC Investment Fund Additions and Changes listed in the Board book and that all changes be effective July 1, 2011.

Mr. Fletcher made a motion the Board approve the proposed changes to the TDC Investment Fund Additions and Changes effective July 1, 2011. Ms. Evans seconded the motion. There was discussion on the motion and the motion carried unanimously. The report of the A & I Committee is behind Tab #7.

##### **Computer Systems Update Committee:**

Mr. Fletcher reviewed with the Board the Computer Systems Update Status Report. There is a request for a Change Order to be submitted on the contract of L. R. Wechsler, Ltd. There is no

change in the total amount to be paid to L. R. Wechsler, just a change in when the payments are made.

Mr. Fletcher made a motion to authorize staff to submit a Change Order to the L.R. Wechsler contract to revise the payment schedule to allow for 30% payment when the RFP is issued and 30% payment when an award is made or the decision not to award a contract is made. Ms. Stout seconded the motion and the motion carried unanimously. The report of the Computer Systems Update Committee is behind Tab #7.

**Executive Director Search Committee:**

Chairman Wyant reviewed with the Board the Executive Director Search Committee met on January 19, 2011, and again by phone on February 4, 2011 to discuss the placement of the ads in newspapers. He announced that all ads have been placed and the resumes are due by March 14, 2011. The Search Committee will meet again after the deadline to review all of the resumes received and will report back to the Board. The report of the Executive Director Search Committee is behind Tab #7.

**Tab #8: DSRS Employer Contribution Rate**

Acting Executive Director Miller discussed with the Board the submission date of March 23, 2011 for County budgets and the potential increase in the DSRS Employer Contribution Rate if House Bill 2766 passes the Legislature.

Mr. Mandel, Actuary, discussed the necessary contribution rate for DSRS with the Board. Mr. Mandel stated an additional 2.5% of payroll is needed and pending passage of enabling legislation his recommendation would be an increase in the employer contribution from 10.5% to 13.0% of payroll.

Mr. Murray made a motion to give the Acting Executive Director the authority to notify Counties of the intent of the Board to increase the DSRS Employer Contribution Rate to 13.0% effective July 1, 2011 should House Bill 2766 pass the Legislature and be signed by the Governor. The motion was seconded by Ms. Evans. There was discussion on the motion and the motion carried unanimously.

The report of the DSRS Employer Contribution Rate is behind Tab #7.

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

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

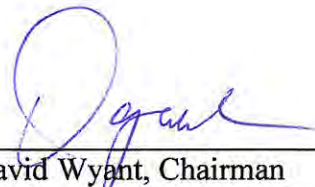
Ms. Stout stated now that the Board has approved the TDC Investment Line-Up changes,

the TDC Investment Policy Committee will begin its revisions. The proposed TDC Investment Policy will be distributed to Board Members so that we may receive comments.

**Tab #10: Other, New Business**

Chairman Wyant asked for new business and none was heard.

Chairman Wyant adjourned the public meeting of the West Virginia Consolidated Public Retirement Board at 11:33 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