

**MINUTES OF THE
WV CONSOLIDATED PUBLIC RETIREMENT BOARD
MEETING OF MAY 25, 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
Christopher Ferro, Esquire, *representing Governor Earl Ray Tomblin*
Mack Parsons, *representing Auditor Glen Gainer*
Diana Stout, *representing Treasurer John Perdue*
Cabinet Secretary Robert Ferguson
Thomas Bradley
David Fletcher
Joe Lynch
Todd Murray
Sergeant Tony Payne
Andrew Richardson, Esquire

Trustees not present:

Captain Michael Corsaro
Drema Evans

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
Jeffrey Fleck, CPRB Compliance Officer
Kris Morton, Great West Regional Manager
Andrew Wyne, Great West Outreach Officer
Eric Stringer, CPRB IT Specialist
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
Alysia Miller, CPRB Paralegal
Torrie Williams, CPRB PERS Membership
Tracy Batman, CPRB PERS Benefits
Misty J. Peal, WVEA
Clay Hupp, Appellant

Rick Monahan, Counsel for Clay Hupp
John Baclovinac, Emerald Advisors

Tab #1: Approval of the April 13, 2011 Meeting Minutes

Mr. Fletcher moved to approve the April 13, 2011 minutes of the Consolidated Public Retirement Board (CPRB). The motion was seconded by Mr. Ferguson. 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. Acting Director Miller reported to the Board that she and Jeaneen Legato, General Counsel, visited with former Board Member E. Gene Davis and gave him his plaque from the Board for his years of service to the Consolidated Public Retirement Board.
2. Retirement Numbers: Acting Director Miller reviewed with the Board the April retirement numbers for the CPRB.
3. Acting Director Miller reported to the Board the CPRB 2011 Legislative Rules have been final filed. In addition, Emergency Legislative Rules for the PERS employer contribution increase to 14 ½% effective July 1, 2011, and the State Police Plan B decrease to 17 ½% effective July 1, 2011, have been filed.
4. Acting Director Miller reviewed with the Board the Deputy Sheriff Retirement Systems Medical Re-certifications for disabled retirees will begin June 1, 2011.
5. Acting Director Miller reviewed with the Board the representatives of the CPRB have been doing outreach seminars across the State. Behind Tab 2 is a listing of the May meetings and an article in the Department of Administration's Quotes, Notes and Anecdotes.
6. Acting Director Miller reported to the Board the attendance at the TDC Fund Change Seminars and responses received.
7. Acting Director Miller reviewed the TDC Fund Change Letters with the Board. She reported the TDC Investment Change letters will be mailed today to all TDC members and the actual investment changes will take place on June 23, 2011.
8. Acting Director Miller discussed with the Board the TDC Strategic Plan for 2011. She reported staff has been meeting with Great West on a monthly basis to better improve customer service, and she, upon recommendation of the A & I Committee,

is going to look into proposing legislation for TDC members to voluntarily increase their employee contributions.

9. Acting Executive Director Miller reported Great West provided 109 educational meetings with 906 individual sessions during 2010.
10. Acting Executive Director Miller reported there is a copy of the TDC Collective Investment Trust Agreement behind Tab 2 and she has signed the agreement in order to initiate the Target Date Fund that will become effective on June 23, 2011.
11. Acting Director Miller reported the CPRB is expecting approximately 1,500 TRS members to retire effective July 1, 2011 and staff is preparing for this. Staff will also be preparing for the statewide TRS Outreach Seminars coming this fall.
12. Acting Director Miller reviewed the status of the Computer Systems Update Project with the Board. A report from L. R. Wechsler and a status report from Cindy Boyd, Project Manager, is behind Tab 2. The mandatory pre-bid conference was held with 14 vendors and 21 individuals in attendance. Several addendums have been issued with over 99 written questions and responses. The bid opening date has been changed to June 21, 2011 in order to offer sufficient time for vendors to receive all addendums. Our Computer System RFP Evaluation Committee is: Cindy Boyd, Project Manager; Cindy Adkins, Procurement Officer; Deana Gose, Uniform Services Manager; Chrissy Courtney, TRS Membership Specialist, and Frank Stark from the Office of Technology. CPRB will be billed \$75.00 per hour for Mr. Stark's services while he serves on our committee. There is a time-line behind Tab 2 for the Computer Project. The Evaluation Committee members will be pulled off of their regular jobs to work on the RFP Evaluation. We hope to have the technical scoring to the Board by the September 28th Board meeting, the Cost portion to the Board by November 9th and the estimated start date is February 13, 2012. Staff is continuing with our Data Cleansing Project as well.
13. Acting Director Miller informed the Board that she did receive assistance from the Governor's Office to reclassify a vacant position to a Programmer Analyst III in anticipation of upcoming staff retirements. Two resumes for that position have been received and the advertisement will be in the newspaper again on Sunday.
14. Acting Director Miller reviewed the April 2011 Financials and reported to the Board that the CPRB is at 47% of the annual fiscal budget.
15. Acting Director Miller announced that the Financial Auditor RFP has been published and two bids have been received. The RFP evaluation committee

recommendation will be brought to the Board at the July 6th Board Meeting.

16. Acting Director Miller informed the Board that she and Harry Mandel met with Senator Foster, Senate Pension Chairman, to discuss a “Tier Two” level of benefits in PERS and TRS. Senator Foster has asked Harry Mandel to do some pricing on the Plans.
17. Acting Director Miller notified the Board that WVU has proposed a severance package, but there are some concerns with the way it is currently drafted. In years past, they owed TRS over \$600,000.00 for a severance package and it took many years and the threat of litigation for them to pay. This will be monitored and will keep the Board updated.
18. Acting Director Miller informed the Board that we have two trip reports; Barbara Haddad and Tami Reed attended the PRISM Conference April 10 through 13, 2011, and Annamarie Short attended the Association of Public Pension Fund Auditors Conference May 1 through 4, 2011.
19. Acting Director Miller announced to the Board there is a National Council on Teacher Retirement (NCTR) Trustee Conference that will be held July 30 through August 4, 2011 in Boston, Massachusetts. This trustee workshop that is geared toward public pension trustees.
20. Acting Director Miller informed the Board there are two contracts that need the Board’s approval. The first is the Buck Actuarial Services Contract under the same terms and conditions as before and a copy of their contract is behind Tab 2. The second is the WVARF Contract for janitorial services and a copy of their contract is also behind Tab 2.

Mr. Richardson made a motion the Board approve the renewal of the Buck Actuarial Services Contract. The motion was seconded by Mr. Fletcher. The motion carried unanimously.

Mr. Richardson made a motion the Board approve the July 1, 2011 to June 30, 2012 WVARF Contract. The motion was seconded by Mr. Parsons and the motion carried unanimously.

Acting Executive Director Miller announced that was the end of her report.

Chairman Wyant announced that he was appointing G. Kurt Dettinger as the Chairman of the Military Service Committee to replace Jonathon Deem. The Report of the Acting Executive Director is located behind Tab #2.

Tab #3: Plans Investment Data

Executive Director Miller reviewed with the Board the Plans Investment Data for months ending March 31, 2011 and April 30, 2011 in the absence of Craig Slaughter. Ms. Stout reported to the Board discussion that occurred at a previous IMB meeting regarding the separation of our office and the Investment Management Board. Kris Morton briefly discussed the TDC fund changes. The Plans Investment Data reports are behind Tab #3.

Tab #4: Consideration of Current Disability Retirement Applications

Mr. Parsons reported to the Board the Disability Committee met on May 24, 2011 and makes the following recommendations to the full Board:

System	Yes	No	Total
DSRS	1	0	1
PERS	12	3	15
TDC/TRS TRANSFERS	6	0	6
TRS	7	1	8
TOTAL	26	4	30

Mr. Richardson moved the Board accept the Disability Committee’s recommendations concerning the disability retirement applications. The motion was seconded by Mr. Lynch. The motion carried unanimously. The disability list is behind Tab #4.

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

Mr. Ferro made a motion the Board go into Executive Session to discuss medical issues related to pending appeals and legal matters as allowed by West Virginia Code § 6-9A-4. The motion was seconded by Secretary Ferguson. The Board went into Executive Session at 10:26 a.m. Mr. Rick Monohan, Esquire, and Mr. Clay Hupp, appellant, were permitted to remain in Executive Session during the discussion of Mr. Hupp’s medical issues. Mr. Monohan and Mr.

Hupp departed Executive Session at 10:40 p.m.

The Chairman reconvened the Public Session of the May 25, 2011 meeting of the Consolidated Public Retirement Board from Executive Session at 11:24 a.m. Chairman Wyant stated the Board was in Executive Session to discuss medical issues related to pending appeals and legal matters. He announced there were no decisions made during Executive Session. The Board will return to Tab #5 of the Agenda: Appeals for Consideration to the Hearing Officer.

Hearing Officer DeBolt addressed the appeal of Randy W. Allen on whether or not Mr. Allen is totally and probably permanently incapacitated for employment within the meaning of and with the character of proof required by §5-10-25 of the West Virginia Code and §162-2-3.2a of the Code of State Rules. It is recommended that the request of Randy W. Allen for disability retirement benefits from the Public Employees Retirement System be denied.

Mr. Parsons made a motion to accept the Hearing Officer's recommendation and to deny the appeal of Randy W. Allen. The motion was seconded by Mr. Murray. The motion carried unanimously.

Hearing Officer DeBolt addressed the appeal of Birdie A. Gandy on whether or not the Applicant is entitled to transfer from the Teachers' Defined Contribution Retirement System to the Teachers' Retirement System. It is recommended the request of Birdie A. Gandy to transfer from the Teachers' Defined Contribution Retirement System to the Teachers' Retirement System be denied.

Mr. Fletcher made a motion to accept the Hearing Officer's recommendation and to deny the appeal of Birdie A. Gandy. Mr. Ferro seconded the motion. The motion carried unanimously.

Chairman Wyant passed the Chair to Mr. Parsons.

Hearing Officer DeBolt addressed the appeal of Clay R. Hupp on whether or not the Applicant is currently incapacitated to perform the services of a State Trooper within the meaning of W.Va. Code §15-2-29 and §15-2-31 as the same were embodied by virtue of Acts of the Legislature, 1994, c. 135.; whether or not consideration of the Applicant's current health status and work ability is barred by principles of res judicata or collateral estoppel.; and whether or not the

termination of the Applicant's disability benefits without first affording a hearing thereon is permissible. It is recommended the request of Clay R. Hupp to reverse the termination of duty-related partial disability benefits be denied. It is further recommended his request for stay of such termination pending final resolution of his appeal be denied.

Chairman Parsons asked for the Board's pleasure on the appeal of Clay R. Hupp.

Mr. Ferro made a motion to accept the Hearing Officer's recommendation and to deny the appeal of Clay R. Hupp. Secretary Ferguson seconded the motion. The motion carried with Sergeant Payne voting against. Mr. Wyant abstained from the vote. Chairman Parsons returned the Chair to Mr. Wyant at 11:27 a.m.

Hearing Officer DeBolt addressed the appeal of the Lewis County Commission on whether or not payments made by the Applicant to its employees characterized as cost of living adjustments are compensation as defined by §5-10-2(8) of the West Virginia Code. It is recommended the request of the Lewis County Commission that payments to employees characterized as cost of living adjustments be utilized for the purpose of retirement system contributions and ultimately be included in the calculation of final average salary be denied.

Mr. Ferro made a motion to accept the Hearing Officer's recommendation and to deny the appeal of the Lewis County Commission. Secretary Ferguson seconded the motion. Discussion occurred. The motion carried unanimously.

The Recommended Decisions are located behind Tab #5.

Tab #6: Work in Progress Reports from Legal Counsel

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

In-House Legal Counsel Jeaneen Legato reviewed her report with the Board on all pending legal matters. She reported currently she has 16 Administrative Appeals and 3 Supreme Court cases.

Ms. Legato reviewed the case of Jack Stevens with the Board. Chairman asked the Board if there was any action they would like to take regarding the Jack Stevens case and none was heard. 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 of the April 13, 2011 Accounting and Investment (A&I) Committee meeting.

Mr. Fletcher reported the A&I Committee met again this morning and on behalf of the Committee, he made a motion to move the TDC Revenue Sharing account from the Conservative Profile Fund to the PIMCO Fund effective June 23, 2011. Secretary Ferguson seconded the motion. The motion carried unanimously. The minutes of the A & I Committee are behind Tab #7.

Computer Systems Update Committee:

Mr. Fletcher reviewed with the Board the Minutes of the Computer Systems Update Committee for October 25, 2010 and February 23, 2011. The minutes of the Computer Systems Update Committee are behind Tab #7.

Executive Director Search Committee:

Chairman Wyant reported to the Board the Executive Director Search Committee met on May 9, 2011 to conduct interviews. The Search Committee will meet again and should have more substantial information to report to the Board at our next meeting. The minutes of the Executive Director Search Committee are behind Tab #7.

IMB Representatives Committee:

In the absence of Chairman Evans, Acting Executive Director Miller reviewed with the Board all of the IMB Applications received by the CPRB, requesting to be appointed as a representative to the WV Investment Management Board and they are:

PERS

Patricia Hamilton, Charleston, WV

TRS	Tony Lautar, Jr., Parkersburg, WV
JRS	No application received
Plan A	William J. Scott, South Charleston, WV
Plan B	Michael D. Lynch, St. Albans, WV
DSRS	David D. Gentry, Beckley, WV
EMSRS	Harold Wayne Harmon, Winfield, WV

Mr. Fletcher made a motion to accept the applications and appoint the named applicants to be representatives to the West Virginia Investment Management Board. The motion was seconded by Mr. Lynch. There was discussion on the motion and the motion carried unanimously. A list of the IMB Representatives and the minutes of the IMB Committee are located behind Tab #7.

Tab #8: Proposed 2012 Legislative Rules

Acting Executive Director Miller reviewed with the Board the proposed 2012 Legislative Rules for Title 162, Series 5 for PERS; Title 162, Series 7 for Refund, Reinstatement Retroactive Service, Loan and Employer Error Interest Factors; and Title 162, Series 9 for the West Virginia State Police.

Mr. Fletcher made a motion to authorize Acting Executive Director Miller to file the Proposed 2012 Legislative Rules for Title 162, Series 5 for PERS. The motion was seconded by Mr. Parsons. The motion carried unanimously.

Mr. Fletcher made a motion to authorize Acting Executive Director Miller to file the Proposed 2012 Legislative Rules for Title 162, Series 7 for Refund, Reinstatement Retroactive Service, Loan and Employer Error Interest Factors. The motion was seconded by Mr. Richardson. The motion carried unanimously.

Mr. Parsons made a motion to authorize Acting Executive Director Miller to file the Proposed 2012 Legislative Rules for Title 162, Series 9 for the West Virginia State Police. The motion was seconded by Mr. Murray. The motion carried unanimously.

The Proposed 2012 Legislative Rules are behind Tab #8.

Tab #9: PERS Military Petition

Acting Executive Director Miller reviewed with the Board the PERS military petition of Mr. James E. McPeak for one month of PERS military armed conflict service credit for the month of April 1991. Staff recommends the one month be approved.

Mr. Richardson made a motion the Board approve the one month PERS military armed conflict service credit for the month of April 1991 for Mr. James E. McPeak. Mr. Fletcher seconded the motion. The motion carried unanimously.

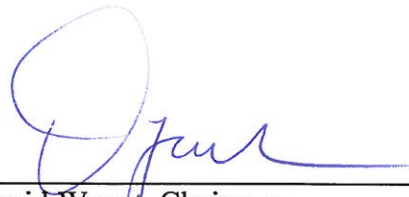
Tab #10: Other, Old Business

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

Tab #11: Other, New Business

Chairman Wyant asked for new business and none was heard. Chairman Wyant announced the next Board Meeting will be Wednesday, July 6, 2011.

Chairman Wyant adjourned the public meeting of the West Virginia Consolidated Public Retirement Board at 11:51 a.m.



David Wyant, Chairman
Consolidated Public Retirement Board



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