

**MINUTES OF THE  
WV CONSOLIDATED PUBLIC RETIREMENT BOARD  
BOARD OF TRUSTEES MEETING  
MEETING OF DECEMBER 12, 2012**

A meeting of the West Virginia Consolidated Public Retirement Board (CPRB) of Trustees was held at the CPRB Conference Room, 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 and trustees present were:

David Wyant, Esquire, Chairman  
Peter Markham, Esquire, *representing Governor Earl Ray Tomblin*  
David Fletcher, *representing Auditor Glen Gainer III*  
Diana Stout, Esquire, *representing Treasurer John Perdue*  
Acting Cabinet Secretary Ross Taylor  
Joseph Bunn, Esquire  
Drema Evans  
Joe Lynch  
Todd Murray  
Sergeant Tony Payne  
Andrew Richardson, Esquire

Trustees not present:

Thomas Bradley  
Captain Michael Corsaro

A quorum was present.

Due notice had been posted.

Also in attendance were:

Jeffrey E. Fleck, CPRB Executive Director  
Terasa L. Miller, CPRB Deputy Director  
Candi Moore, CPRB Executive Assistant  
Jeaneen Legato, Esquire, CPRB General Counsel  
Lenna Chambers, Esquire, Bowles Rice  
Jack DeBolt, Esquire, Hearing Officer  
Bob Denyer, Gibbons & Kawash  
Anthony Carter, Gibbons & Kawash  
Kris Morton, Great West Regional Manager  
Andrew Wyne, Great West Outreach Officer  
Craig Slaughter, Executive Director, WV Investment Management Board  
Donna Lipscomb, Department of Administration  
John Beane, CPRB Chief I.T. Officer  
J. Darden Greene, CPRB Chief Financial Officer  
Steve Stockton, CPRB Chief Compliance Officer  
Cindy Boyd, CPRB Project Manager

Harry Mandel, CPRB Actuary  
Melody Bailey, CPRB Actuary Analyst  
Shawna Carson, CPRB IT Staff  
Lisa Trump, CPRB PERS Manager  
Annamarie Short, CPRB Internal Auditor  
Caroline Brady, CPRB PERS Assistant Manager  
Deana Gose, CPRB Uniform Services Manager  
Alysia Miller, CPRB Paralegal  
Eric Stringer, CPRB IT Staff  
Brittany Smith, CPRB TRS Staff  
Torrie Williams, CPRB PERS Staff

**Tab 1: Approval of the November 2, 2012 Emergency Meeting Minutes**

Mr. Fletcher made a motion to approve the November 2, 2012 minutes of the CPRB. The motion was seconded by Ms. Evans. The motion carried unanimously. The minutes are located behind Tab 1.

Captain Corsaro arrived to the meeting at 10:02 a.m.

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

Chairman Wyant thanked David Fletcher for all of his service as a Board Member and acknowledged his resignation letter. He then welcomed him back to the Board as Auditor Gainer's representative.

Chairman Wyant announced the following appointments to committees:

Accounting & Investment Committee: Andy Richardson, Chairman and appointed Joe Bunn to the Committee.

Computer Systems Update Committee: Captain Corsaro, Chairman.

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

1. Executive Director Fleck reviewed the September, October and November 2012 Teachers' Retirement System (TRS) and Public Employees Retirement System (PERS) retirement numbers and estimates for the CPRB.
2. Executive Director Fleck announced to the Board the CPRB 2013 Board Meeting Schedule has been provided to each Board member.
3. Executive Director Fleck announced to the Board that he has hired a new Chief IT

Officer, and introduced Mr. John Beane to the Board.

4. Executive Director Fleck reviewed the Teachers' Defined Contribution (TDC) Financial Footnotes with the Board.
5. Executive Director Fleck informed the Board the CPRB has two employees who are in the running for the Employee of the Year Award: Shawna Carson AND Tammy White. There is an article in Quotes, Notes & Anecdotes on the nominees who are being considered for this award.
6. Executive Director Fleck informed the Board there is an article in the Stateline Newsletter on retirement options offered by the CPRB
7. Executive Director Fleck reviewed the ongoing Computer Project with the Board. He announced we have received four bids: Deloitte, Sagitec, Sierra and Vitech.
8. Executive Director Fleck announced letters went out to all PERS non-state employers with the preliminary employer contribution rate of 14.5%.
9. Executive Director Fleck reviewed the delinquent employers list with the Board.
10. Executive Director Fleck announced there were a total of 920 people who attended the Board's TRS and TDC Fall Retirement Planning seminars.
11. Executive Director Fleck reviewed with the Board the TDC Educational Meetings. He announced there were a total of 39 meetings during 3<sup>rd</sup> quarter with a total of 109 in attendance. In the 4<sup>th</sup> Quarter, there were 10 meetings held with a total of 40 in attendance.
12. Executive Director Fleck reviewed with the Board the *Public Safety Officer Acceptance* (PSOA) letter for the Public Safety Officer retirants.
13. Executive Director Fleck reviewed with the Board the CPRB September, October and November 2012 Expense Fund Financials. He announced that as of November 30, 2012, we are at 23.28% of budget.
14. Executive Director Fleck informed the Board that Darden Greene, Chief Financial Officer, and Steve Stockton, Chief Compliance Officer, attended the Annual P2F2 Financial Conference in New Orleans, Louisiana from October 7<sup>th</sup> through October 10<sup>th</sup>.
15. Executive Director Fleck informed the Board that Annamarie Short, Internal Auditor, attended the Association of Public Pension Fund Auditors conference in Redondo Beach, California from November 4<sup>th</sup> through November 7<sup>th</sup>.

16. Executive Director Fleck informed the Board on the Legislative Updates from the October, November and December 2012 Legislative Interims. He informed the Board the Legislative meetings discussed military service, pension reform and Municipal Police & Fire Systems.
17. Executive Director Fleck announced to the Board the Pension Comparison by State report shows selected approved changes to state public pensions to restore or preserve plan sustainability. Executive Director Fleck's report is located behind Tab 2.

**Tab 3: Plans Investment Data**

West Virginia Investment Management Board's (WVIMB) Executive Director, Craig Slaughter, reviewed with the Board the Plans Investment Returns for the months of August, September and October 2012.

Kris Morton, Great West Regional Manager, reported the TDC Investment Performance as of September 28, 2012. The Investment Data reports are located behind Tab 3.

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

Chairman Evans reported the Disability Committee met on December 11, 2012 and makes the following recommendations to the full Board:

<b>System</b>	<b>Approved</b>	<b>Denied</b>	<b>Total</b>
<b>PERS</b>	19	2	21
<b>TDC</b>	2	0	2
<b>TRS</b>	3	1	4
<b>TRS (TDC Transfers)</b>	6	1	7
<b>TOTAL</b>	<b>30</b>	<b>4</b>	<b>34</b>

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. The disability list is behind Tab 4.

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

Hearing Officer DeBolt addressed the appeal of John K. Rapp, Jr., as to whether or not as a member of State Police Plan A, he is entitled to service credit under USERRA when no contributions to the retirement system for the period are being made. It is recommended by Hearing Officer DeBolt that the request of John K. Rapp, Jr., to acquire service credit in Plan A under USERRA provisions be denied.

Mr. Richardson made a motion to adopt the recommendation of Hearing Officer DeBolt and deny the appeal of John K. Rapp, Jr. for service credit in State Police Plan A under the USERRA provisions. The motion was seconded by Sargent Payne. The motion carried unanimously.

Hearing Officer DeBolt addressed the appeal of Elaine A. Whitten on whether or not the Applicant is entitled to convert unused sick leave to additional service credit in PERS. It is recommended by Hearing Officer DeBolt the request of Elaine A. Whitten to convert unused sick leave to additional service credit in PERS be denied.

Ms. Evans made a motion to adopt the recommendation of Hearing Officer DeBolt and deny the appeal of Elaine A. Whitten to convert unused sick leave to additional service credit in PERS. The motion was seconded by Mr. Murray. The motion carried unanimously. The Recommended Decisions from the Hearing Officer is behind Tab 5.

Chairman Wyant moved the agenda to address Tab #8: Financial Audit Results from Gibbons & Kawash.

**Tab 8: Fiscal Year 2012 Financial Audit Results – Gibbons & Kawash**

Chairman Wyant announced to the Board that Bob Denyer with Gibbons & Kawash had a presentation for the Board.

Mr. Denyer reviewed the Fiscal Year 2012 Financial Audit results from Gibbons & Kawash. He reported to the Board they completed 10 audits, all of which yielded an uneventful audit, which was good for the Board.

Mr. Richardson made a motion the Board accept the Fiscal Year 2012 Financial Audit results from Gibbons & Kawash. The motion was seconded by Mr. Fletcher. The motion carried unanimously.

Chairman Wyant moved the agenda back to address Tab #6; Work in Progress Reports from the Legal Counsel.

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

Mr. Richardson made a motion the Board go into Executive Session to discuss legal issues and a contractual matter as allowed by West Virginia Code § 6-9A-4. The motion was seconded by Ms. Stout. The motion carried unanimously. The Board went into Executive Session at 10:29 a.m.

The Chairman reconvened the Public Session of the December 12, 2012 meeting of the CPRB from Executive Session at 11:08 a.m. Chairman Wyant stated the Board was in Executive Session to discuss legal issues and a contractual matter 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.

Executive Director Fleck informed the Board he needed approval from the Board for an Emergency 1099R Contract with Triangle Systems for the amount of \$44,282.00 to prepare the IRS 1099R's for the CPRB.

Captain Corsaro made a motion the Board approve the Emergency Contract with Triangle Systems for the amount of \$44,282.00 to prepare the 1099R's. The motion was seconded by Ms. Evans. The motion carried unanimously.

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

In-House Legal Counsel, Jeaneen Legato, presented her report with the Board on all pending legal matters. She reported on all current Administrative, Circuit Court, Supreme Court and Less Than Honorable Service cases.

Ms. Legato reviewed with the Board the case represented by the firm of MacCorkle, Lavender and Sweeney in Bland v. State of West Virginia, et al. Ms. Legato reported to the Board that this case has now been completed.

Ms. Legato then reviewed with the Board on the Less Than Honorable Service (LTHS) case of Donald Whitten in PERS for committing the Federal Felony Offense of making a False Statement. She recommended the Board authorize her to proceed toward termination of the PERS benefits of Donald Whitten for LTHS.

Captain Corsaro made a motion the Board accept the recommendation from counsel and authorize counsel to proceed with Less Than Honorable Service proceedings against Donald Whitten. The motion was seconded by Mr. Richardson. The motion carried unanimously.

Ms. Legato reviewed the Board the LTHS case of former Sheriff Jerry Bowman in DSRS for the Felony Offense of Conspiracy Against Rights. She recommended the Board authorize counsel to proceed toward termination of former Sheriff Jerry Bowman's benefits under DSRS for LTHS.

Sargent Payne made a motion the Board accept the recommendation from counsel and authorize counsel to proceed with Less Than Honorable Service proceedings against former Sheriff Jerry Bowman. The motion was seconded by Mr. Richardson. The motion carried unanimously.

Ms. Legato then reviewed with the Board on the LTHS case of Thomas Ramey of PERS for committing the Felony Offense of making a False Statement. She recommended the Board authorize counsel to proceed toward termination of the PERS benefits of Thomas Ramey for LTHS.

Mr. Bunn made a motion the Board accept the recommendation from counsel and authorize counsel to proceed with Less Than Honorable Service proceedings against Thomas Ramey. The motion was seconded by Mr. Richardson. The motion carried unanimously. The report of 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. The report of Outside Counsel is behind Tab 6.

Executive Director Fleck reviewed with the Board the status report represented by Pullin,

Fowler, Flanagan, Brown & Poe on the case of Dougherty v. CPRB.

**Tab 7: Committee Updates**

**A & I Committee:**

Chairman Richardson reviewed the A & I Committee report with the Board. Chairman Richardson made a motion to transfer the amount of \$252,672.49 from the TDC Revenue Sharing Account to the CPRB Expense Fund. The motion was seconded by Mr. Bunn. The motion carried unanimously.

In addition, Chairman Richardson made a motion the Board change the TDC mid-cap growth investment from Westcore Select to the American Century Heritage Inv as soon as administratively possible. The motion was seconded by Ms. Evans. There was discussion on the motion. The motion carried unanimously.

**Internal Audit Committee:**

Chairman Taylor reported to the Board that the Internal Audit Committee met on December 11, 2012 and approved revisions to the Internal Audit Charter.

Sargent Payne made a motion the Board adopt and approve the revisions made to the Internal Audit Charter by the Committee. The motion was seconded by Ms. Evans. There was discussion on the motion. The motion carried unanimously.

Mr. Markham departed the meeting at 11:31 a.m.

Chairman Wyant moved the agenda to address Tab 9, Deputy Sheriff Retirement System (DSRS) Actuarial Valuation Results, by Harry Mandel.

Mr. Markham returned to the meeting at 11:34 a.m.

**Tab 9: DSRS Actuarial Valuation – Harry Mandel**

Board Actuary, Harry Mandel, reviewed the DSRS Actuarial Valuation Results with the Board and recommended the Board approve the acceptance of the July 1, 2012 Actuarial Valuation for DSRS and the continuation of the current 13.0% employer contribution rate.



Mr. Murray made a motion the Board accept the recommendation by the Board Actuary and approve the July 1, 2012 Actuarial Valuation for DSRS and the continuation of the current 13.0% employer contribution rate for FY 2014. The motion was seconded by Mr. Lynch. The motion carried unanimously. The DSRS Actuarial Valuation Results are located behind Tab 9.

**Tab 10: EMSRS Actuarial Valuation – Harry Mandel**

Board Actuary, Harry Mandel, reviewed and explained the Emergency Medical Services Retirement System (EMSRS) Actuarial Valuation Results with the Board. Mr. Mandel requested the Board approve and accept the July 1, 2012 Actuarial Valuation for EMSRS and accept the recommendation to maintain the employer contribution rate at 10.5% of payroll for FY2014.

Captain Corsaro made a motion the Board accept the recommendations from the Board Actuary and approve the July 1, 2012 Actuarial Valuation for EMSRS and maintain the employer contribution rate at 10.5% of payroll for FY2014. The motion was seconded by Mr. Lynch. There was discussion on the motion. The motion carried unanimously. The EMSRS Actuarial Valuation Results are located behind Tab 10.

**Tab 11: MPFRS Actuarial Valuation – Harry Mandel**

Board Actuary, Harry Mandel, reviewed and explained the Municipal Police and Fire Retirement System (MPFRS) Actuarial Valuation Results with the Board and requested the Board approve and accept the July 1, 2012 Actuarial Valuation for MPFRS and accept the recommendation to maintain the member and employer contribution rates at 8.5% of payroll for FY2014.

Mr. Fletcher made a motion the Board accept the recommendations from the Board Actuary and approve the July 1, 2012 Actuarial Valuation for MPFRS and accept the recommendation to maintain the member and employer contribution rates at 8.5% of payroll for FY2014. The motion was seconded by Mr. Bunn. There was discussion on the motion. The motion carried unanimously. The MPFRS Actuarial Valuation Results are located behind Tab 11.

Chairman Wyant asked the Board if they had any objection to staff sending a letter to employees of the MPFRS informing them they currently have 39 members and if they do not have 100 members in their retirement system by July 1 2014, they will go into the EMSRS System and

their contributions may raise from 8.5% to 10.5% effective July 1, 2014 unless the Legislature extends that date. Hearing no objection, Chairman Wyant advised Executive Director Fleck to prepare a letter to all MPFRS employees.

**Tab 12: 2013 Proposed Legislation**

In-House Legal Counsel Legato reviewed the 2013 proposed legislation relating to Felony Expungement with the Board.

Ms. Stout made a motion the Board grant authority for staff to submit the proposed Felony Expungement legislation to the Legislature for their action. The motion was seconded by Mr. Bunn. The motion carried unanimously.

In-House Legal Counsel Legato reviewed the 2013 proposed legislation relating to Successor Liability with the Board.

Mr. Bunn made a motion the Board grant authority for staff to submit the proposed Successor Liability legislation to the Legislature for their action. The motion was seconded by Mr. Lynch. The motion carried unanimously.

Deputy Director Miller reviewed the 2013 proposed legislation relating to DSRS with the Board.

Mr. Murray made a motion the Board grant authority for staff to submit the proposed DSRS legislation to the Legislature for their action. The motion was seconded by Mr. Lynch. There was discussion on the motion. The motion carried unanimously.

Sargent Payne departed the meeting at 12:10 p.m.

Deputy Director Miller reviewed the 2013 proposed legislation relating to the EMSRS with the Board.

Mr. Lynch made a motion the Board grant authority for staff to submit the proposed EMSRS legislation to the Legislature for their action. The motion was seconded by Ms. Evans. The motion carried unanimously.

Deputy Director Miller reviewed the 2013 proposed legislation relating to the Teachers'

Defined Contribution (TDC) Retirement System with the Board.

Mr. Bunn made a motion the Board grant authority for staff to submit the proposed TDC legislation to the Legislature for their action. The motion was seconded by Mr. Richardson. The motion carried unanimously. The 2013 Proposed Legislation is located behind Tab 12.

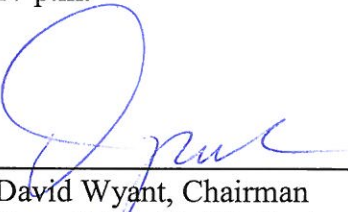
**Tab 13: Other, Old Business**

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

**Tab 14: Other, New Business**

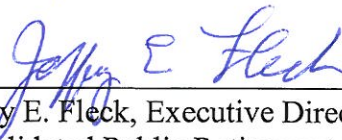
Chairman Wyant asked if there was any other new business to bring before the Board. None was heard.

Chairman Wyant adjourned the December 12, 2012 public meeting of the West Virginia Consolidated Public Retirement Board at 12:17 p.m.



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David Wyant, Chairman  
Consolidated Public Retirement Board



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Jeffrey E. Fleck, Executive Director  
Consolidated Public Retirement Board