

**MINUTES OF THE
WV CONSOLIDATED PUBLIC RETIREMENT BOARD
BOARD OF TRUSTEES MEETING
MEETING OF DECEMBER 18, 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 10:07 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

Trustees not present:

Thomas Bradley
Joe Lynch
D. Todd Murray
Tony Payne
Andrew Richardson, Esquire

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
Jack DeBolt, Esquire, Hearing Officer
Lenna Chambers, Esquire, Bowles Rice
Marc Monteleone, Esquire, Bowles Rice
Andrew Wyne, Great-West Retirement Services, Outreach Officer
Craig Slaughter, Executive Director, WVIMB
Norm Buckwalter, LRWL
Joseph Menendez, Jr., Appellant
Charles Love, Esquire, J. Menendez Appeal

Bob Denyer, Gibbons & Kawash
Anthony Carpenter, Gibbons & Kawash
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
Chrissy Courtney, CPRB Outreach Coordinator
Eric Stringer, CPRB IT Staff
Chris Bush, CPRB Uniform Services Retirement Advisor
Deana Gose, CPRB Uniform Services Manager
Lisa Trump, CPRB PERS Manager
Caroline Brady, CPRB PERS Assistant Manager

Tab 1: Approval of the November 6, 2013 Meeting Minutes

Captain Corsaro made a motion to approve the November 6, 2013 minutes of the CPRB. The motion was seconded by Mr. Bunn. The motion carried unanimously. The minutes are located behind Tab 1.

Tab 2: Reports of the Chairman and Executive Director

Chairman Wyant announced that Board Member Tony Payne has resigned from the Board. Chairman Wyant announced he wanted to publicly thank Mr. Payne for all of his service to the Board and to wish him the best.

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

1. Executive Director Fleck reviewed the November 2013 Teachers' Retirement System (TRS) and Public Employees Retirement System (PERS) retirement and estimate numbers. He reported there were 173 TRS Estimates and 106 TRS Retirements for November. In PERS, there were 258 Estimates and 139 Retirements for November.
2. Executive Director Fleck announced to the Board that the Chairman has set the Board Meeting Schedule for the 2014 Board Meeting Dates and you have all been provided a copy and it is also behind my tab.
3. Executive Director Fleck reported to the Board the CPRB had another employee named as the Department of Administration Employee of the Month. CPRB

receptionist, Claudia White has been named for January 2014.

4. Executive Director Fleck reported to the Board that the DSRS contribution letter went out to all DSRS employers regarding their contribution rates. Effective July 1, 2014 the rate will change from 13% to 12.5%.
5. Executive Director Fleck reviewed with the Board the Teachers' Defined Contribution (TDC) 2013 Educational Meetings. He announced there have been a total of 88 meetings this year.
6. Executive Director Fleck reported to the Board the TDC Reality Investing statistics are in the Board books. He announced that Reality Investing had a total of 4,927 participants and \$369,727,164 in total assets as of December 3, 2013.
7. Executive Director Fleck reviewed the delinquent employers list with the Board. He announced we received our full payment from the Town of Pratt and that they are no longer an employer with the State; they are now owned by WV American Water.
8. Executive Director Fleck reported to the Board on the Computer Update; after voting by staff and Board Members, the logo for the new computer system (COMPASS) has been chosen and a copy is in the Board Books.
9. Executive Director Fleck informed the Board that training has been provided to managers on the changes taking place at the CPRB with the new computer system. Mark Isabella from Personnel trained all managers on "Change Leadership."
10. Executive Director Fleck informed the Board that he will be continuing training on "Change Management" for all CPRB staff with Mr. Isabella from Personnel.
11. Executive Director Fleck reported to the Board on the November 2013 CPRB Financials; he reported that as of November 30th we are at 25.90% of budget.
12. Executive Director Fleck reported on the November Legislative Interims with the Board.

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

Tab 3: Plans Investment Data

Craig Slaughter, Executive Director of the West Virginia Investment Management Board (WVIMB), reviewed with the Board the plan's investment returns for October 2013.

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

Tab 4: Consideration of Current Disability Retirement Applications

Captain Corsaro reported the Disability Committee met on December 17, 2013, and the Committee makes the following recommendations to the Board:

System	Approved	Denied	Total
DSRS	1 Total Non-Duty	0	1 Total Non-Duty
PERS	11	1	12
TDC	3	0	3
TRS	7	1	8
TRS/TDC Transfers	8	0	8
TOTAL	30	2	32

Mr. Bunn made a motion the Board accept the Disability Committee's recommendations concerning the disability retirement applications. The motion was seconded by Mr. Fletcher. The motion carried unanimously. The disability list is behind Tab 4.

Tab 5: Consideration of Appeals to the Hearing Officer – Jack DeBolt

Chairman Wyant announced he would now entertain a motion to go into Executive Session to discuss medical and legal issues.

Mr. Bunn made a motion the Board go into Executive Session to discuss medical and legal issues as allowed by West Virginia Code § 6-9A-4. The motion was seconded by Mr. Garcia. The motion carried unanimously. The Board went into Executive Session at 10:19 a.m.

Chairman Wyant reconvened the Public Session of the December 18, 2013 meeting of the CPRB from Executive Session at 10:38 a.m. Chairman Wyant stated the Board was in Executive Session to discuss medical and legal issues as allowed by West Virginia Code § 6-9A-4. He announced there were no decisions made during Executive Session. We will now return to Tab #5, Consideration of Appeals to the Hearing Officer, Jack DeBolt.

Hearing Officer DeBolt reviewed with the Board the Appeal of Joseph M. Menendez, Jr., on whether or not the Applicant is presently able to perform adequately the duties of a law

enforcement officer. Hearing officer DeBolt recommended that the appeal of Joseph M. Menendez, Jr., seeking continuation of his disability retirement benefits be denied.

Mr. Bunn made a motion the Board accept the Hearing Officer's recommended decision and deny the appeal of Joseph M. Menendez, Jr. Ms. Stout seconded the motion. The motion carried unanimously.

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 reported on the LTHS case of David Baisden, a Mingo County Commissioner found guilty of one felony count of interference of commerce by threats under color of official right (violation of 18 USC 1951).

Ms. Legato recommended to the Board to proceed with the LTHS Statute against Mr. Baisden and his pension be terminated.

Captain Corsaro made a motion the Board grant the In-House Legal Counsel to proceed with LTHS against David Baisden. The motion was seconded by Mr. Fletcher. Mr. Bunn and Ms. Stout abstained from the vote. The motion carried.

Ms. Legato reported to the Board on the LTHS case of John Johnson who was a janitor at the Kanawha County Board of Education. Mr. Johnson was convicted on one felony count of first degree sexual abuse.

Ms. Legato recommended to the Board to proceed with the LTHS Statute against Mr. Johnson and his pension be terminated.

Captain Corsaro made a motion the Board grant the In-House Legal Counsel to proceed with LTHS against John Johnson. The motion was seconded by Ms. Stout. Mr. Bunn voted no. The motion carried.

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.

Chairman Wyant reviewed with the Board on the report from Pullin, Fowler, Flanagan, Brown & Poe on the case of Dougherty v. CPRB. He announced this case is going back to State Court.

The report from Pullin, Fowler, Flanagan, Brown & Poe is located behind Tab 6.

Chairman Wyant moved the agenda to address Tab # 8, the 2013 Financial Audit by Gibbons & Kawash.

Tab #8: 2013 Financial Audit – Gibbons & Kawash (Bob Denyer)

Mr. Bob Denyer of Gibbons & Kawash reviewed the 2013 Financial Audit reports with the Board.

Mr. Fletcher made a motion the Board accept the audited financial statements for 2012 and 2013 by Gibbons & Kawash. Mr. Garcia seconded the motion. The motion carried unanimously.

Chairman Wyant moved the agenda back to Tab #7, Committee Updates; the Computer System Update Committee.

Chairman Wyant then announced he was recusing himself from the Computer System Update Committee. He passed the chair to Mr. Fletcher, Vice Chair. Chairman Wyant left the room.

Vice Chairman Fletcher announced he would now accept a motion to go into Executive Session to discuss commercial competition matters.

Mr. Bunn made a motion the Board go into Executive Session to discuss commercial competition and contractual matters as allowed by West Virginia Code § 6-9A-4. The motion was seconded by Captain Corsaro. The motion carried unanimously. The Computer System Committee, the Computer System Committee staff, Norm Buckwalter and CPRB Legal Counsel were all asked to stay for Executive Session. The Board went into Executive Session at 11:10 a.m.

Vice Chairman Fletcher reconvened the Public Session of the December 18, 2013 meeting of the CPRB from Executive Session at 11:22 a.m. Vice Chairman Fletcher stated the Board was in Executive Session to discuss commercial competition and contractual matters as allowed by

West Virginia Code § 6-9A-4. He announced there were no decisions made during Executive Session and we will now return to Tab #7 Committee Updates.

Tab 7: Committee Updates

Computer System Update Committee

Ms. Stout made a motion the Board authorize and empower Director Fleck with the authority to sign the contract along with the changes made to date, along with the technical changes and any WV 96 and WV 96A modifications required regarding the third party software contract. The motion was seconded by Captain Corsaro. David Wyant abstained. The motion carried. The minutes of the Computer System Update Committee are located behind Tab 7.

Vice Chairman Fletcher returned the chair to Chairman Wyant.

Chairman Wyant announced we will now move onto the next item on the agenda; the Investment Policy Review Committee.

Investment Policy Review Committee

Chairman Stout reported to the Board that the Investment Policy Review Committee met on Monday, December 16, 2013. She announced the Investment Policy Review Committee reviewed, made various changes and amended the Investment Policy Statement. This was concurrent with Great West, the AAG Staff and the CPRB Staff who all helped with the revisions.

Ms. Stout made a motion on behalf of the Investment Policy Review Committee the amended Investment Policy Statement be adopted by the Board. Mr. Fletcher seconded the motion. There was discussion on the motion. The motion carried unanimously. The minutes of the Investment Policy Review Committee are located behind Tab 7.

Chairman Wyant announced we will now move to Tab #9 on the agenda; 2014 Proposed Legislation.

Tab 9: 2014 Proposed Legislation

Deputy Director Miller announced there is 5 proposed pieces of legislation that she will review for the Board.

Deputy Director Miller reviewed the TRS proposed legislation with the Board and

recommended the Board's approval.

Ms. Stout made a motion the Board accept the recommendations of staff and to submit the TRS proposed legislation to the Legislature for further action. The motion was seconded by Mr. Bunn. There was discussion on the motion. The motion carried unanimously.

Deputy Director Miller then reviewed the Reciprocal PERS and TRS proposed legislation with the Board and recommended the Board's approval.

Mr. Bunn made a motion the Board accept the recommendations of staff and to submit the changes to the Reciprocal proposed legislation to the Legislature for further action. The motion was seconded by Mr. Fletcher. The motion carried unanimously.

Deputy Director Miller reviewed the State Police Plan B proposed legislation with the Board and recommended the Board's approval.

Mr. Garcia made a motion the Board table the State Police Plan B proposed legislation until the January Board Meeting. He announced there is some information the Governor has requested to review. The CPRB has done a great job getting us this information but it has not yet been communicated to the Governor for his review. I have been told we will still have enough time to review this and bring it back up at the next Board Meeting and then introduce it to the Legislature before the deadline. The motion was seconded by Mr. Bunn. The motion carried unanimously. The State Police Plan B proposed legislation is tabled.

Deputy Director Miller reviewed the QDRO Exceptions proposed legislation with the Board and recommended the Board's approval.

Mr. Bunn made a motion the Board accept and approve and submit to the Legislature for further action these modifications to the proposed scholarships and burial benefits to the various systems that are presented and recommended by staff on the QDRO Exceptions proposed legislation. The motion was seconded by Captain Corsaro. The motion carried unanimously.

Deputy Director Miller reviewed the PERS proposed legislation with the Board and recommended the Board's approval.

Mr. Fletcher made a motion the Board accept the recommendations of staff and to submit the changes to the PERS proposed legislation to the Legislature for further action. The motion was seconded by Mr. Garcia. There was discussion on the motion. The motion carried unanimously.

Tab 10: Other, Old Business

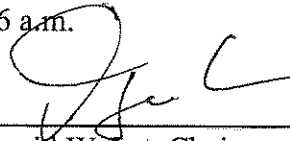
Chairman Wyant asked if there was any old business to bring before the Board. None was heard.

Tab 12: Other, New Business

Chairman Wyant asked the Board if there was any new business to bring before the Board. Executive Director Fleck announced if any of the Board Members would like a copy of the 2012 and 2013 Financial Audit by Gibbons & Kawash, he would provide copies for them.

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

Chairman Wyant adjourned the December 18, 2013 meeting of the West Virginia Consolidated Public Retirement Board at 11:56 a.m.



David Wyant, Chairman
Consolidated Public Retirement Board



Jeffrey E. Fleck, Executive Director
Consolidated Public Retirement Board