

**MINUTES OF THE
WV CONSOLIDATED PUBLIC RETIREMENT BOARD
BOARD OF TRUSTEES MEETING
MEETING OF MAY 23, 2012**

A meeting of the West Virginia Consolidated Public Retirement Board (CPRB) of Trustees was held at the Board Conference Room, 4101 MacCorkle Avenue, SE, Charleston, West Virginia 25304, and was called to order at 10:09 a.m. by Chairman David Wyant.

Roll Call was taken and trustees present were:

David Wyant, Esquire, Chairman
Chris Ferro, Esquire, *representing Governor Earl Ray Tomblin*
Mack Parsons, *representing Auditor Glen Gainer III*
Diana Stout, *representing Treasurer John Perdue*
Cedric Greene, *representing Acting Cabinet Secretary Ross Taylor*
Thomas Bradley
Joseph Bunn, Esquire
Captain Michael Corsaro
David Fletcher
Todd Murray
Sergeant Tony Payne
Andrew Richardson, Esquire

Trustees not present:

Drema Evans
Joe Lynch

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, McDavid, Graff and Love
Jack DeBolt, Esquire, Hearing Officer
Anne Charnock, Esquire, Hearing Officer
Kris Morton, Great West Regional Manager
Andrew Wyne, Great West Outreach Officer
Craig Slaughter, WVIMB Executive Director
Darden Greene, CPRB Chief Financial Officer
Steve Stockton, CPRB Chief Compliance Officer
Cindy Boyd, CPRB Project Manager
Barbara Haddad, CPRB IT Manager
Harry Mandel, CPRB Actuary
Annamarie Short, CPRB Internal Auditor
Lisa Trump, CPRB PERS Manager

Caroline Brady, CPRB PERS Assistant Manager
Deana Gose, Uniform Services Manager
Alysia Miller, CPRB Paralegal
Eric Stringer, CPRB IT Staff
Brittany Smith, CPRB TRS Staff
Tracy Batman, CPRB Accounting Staff
Torrie Williams, CPRB PERS Staff
Warren Hacker, Appellant
Judy Hacker, wife of Appellant
Lorrie Simmons, Counsel for Hubbard Appeal
Misty Peal, WVEA
Tim Basford, WVEA
Brian Peicu, Deloitte & Touche

Tab #1: Approval of the April 11, 2012 Meeting Minutes

Mr. Ferro made a motion to approve the April 11, 2012 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

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

1. Director Fleck reviewed with the Board the April 2012 Teachers' Retirement System (TRS) and Public Employees Retirement System (PERS) retirement numbers and estimates for the CPRB.
2. Director Fleck reviewed with the Board all of the current delinquent employers.
3. Director Fleck updated the Board on the Internal Revenue Service Normal Retirement Age regulations stating the implementation date has been extended to January 1, 2015.
4. Director Fleck reviewed with the Board the PERS Outreach meetings that were held throughout the state. 10 seminars were offered with a total of 448 in attendance.
5. Director Fleck announced to the Board the CPRB was mentioned in the Quotes, Notes & Anecdotes monthly employee newsletter with an article on the PERS seminars and retirement options.
6. Director Fleck reviewed with the Board the Teachers' Defined Contribution (TDC) educational meetings held throughout the state by Great West in April and May 2012. He reported there were a total of 35 meetings held year to date in which 485

TDC members have participated.

7. Director Fleck reviewed with the Board the TDC Reality Investing statistics as of May 1, 2012. The total TDC assets are \$312,075,597 with 5,185 TDC members.
8. Director Fleck informed the Board he and several managers attended the WV School Business Officials Conference on May 17, 2012.
9. Executive Director Fleck reviewed with the Board the CPRB April 2012 Financials. He announced that as of April 30, 2012 the CPRB is at 46% of budget.
10. Director Fleck reported to the Board there will be mandatory annual fiduciary training for the Board prior to the next Board Meeting on June 27, 2012 and will start at 10:00 a.m.
11. Executive Director Fleck informed the Board that Barbara Haddad, Chief IT/Information Officer, and Tami Reed, CPRB Programmer, attended the Public Retirement Information Systems Management (PRISM) Conference May 6th through May 9th. This was for IT Management, Staff, Programmers and Web Masters.
12. Executive Director Fleck reported to the Board on all of the Legislative Study Resolutions for 2012 that will be related to retirement. He announced that a list of all of the Resolutions is on a spreadsheet behind Tab #2 for the Board to review.
13. Executive Director Fleck reported to the Board he sent a letter to the Harrison County Emergency Squad and all employees informing them they did not qualify to participate in the Emergency Medical Services Retirement System (EMSRS). He informed them the money they have submitted to this Plan will be returned to them. Executive Director Fleck's report is located behind Tab #2.

Tab #3: Plans Investment Data

West Virginia Investment Management Board (WVIMB) Executive Director Craig Slaughter reviewed with the Board the Plans Investment Returns for the month of March 31, 2012. The WVIMB investment return report is behind Tab #3.

Kris Morton, Great West Regional Manager, reviewed with the Board the TDC Investment Performance Plan as of March 30, 2012.

Tab #4: Consideration of Current Disability Retirement Applications

Acting Chairman Todd Murray reported the Disability Committee met on May 22, 2012 and makes the following recommendations to the full Board:

| System | Approved | Denied | Total |
|------------------------------|-----------------|---------------|--------------|
| PERS | 12 | 2 | 14 |
| TDC | 3 | 0 | 3 |
| TRS | 2 | 0 | 2 |
| TDC/TRS Transfers | 6 | 0 | 6 |
| TOTAL | 23 | 2 | 25 |

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

Acting Chairman Murray made a motion on behalf of the Disability Committee to terminate the DSRS partial disability annuity of Charles Justice effective June 1, 2012 due to exceeding the allowed income limit. The motion was seconded by Captain Corsaro. The motion carried unanimously.

Acting Chairman Murray made a motion on behalf of the Disability Committee to accept the Committee's decision to deny the EMSRS disability application of Archie Hubbard. The motion was seconded by Mr. Fletcher. The motion carried unanimously.

Acting Chairman Murray made a motion on behalf of the Disability Committee to adopt the DSRS Disability Recertification Policy. The motion was seconded by Captain Corsaro. There was discussion on the motion and the motion carried unanimously. The disability list is behind Tab #4.

Tab #5: Consideration of Appeals to Hearing Officer's - Jack DeBolt & Anne Charnock

Mr. Fletcher made a motion the Board go into Executive Session to discuss a medical

retirement appeal, legal matters and contractual matters 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 10:30 a.m.

The Chairman reconvened the Public Session of the May 23, 2012 meeting of the Consolidated Public Retirement Board from Executive Session at 11:33 a.m. Chairman Wyant stated the Board was in Executive Session to discuss a medical retirement appeal, legal matters and contractual matters 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 #5, Consideration of Appeals to the Hearing Officer's.

Mr. Fletcher made a motion to renew the Buck Consultant contract for 1 year. The motion was seconded by Mr. Bunn. The motion carried unanimously.

Mr. Fletcher made a motion to renew the Gibbons & Kawash contract for 1 year. The motion was seconded by Mr. Bunn. The motion carried unanimously.

Hearing Officer DeBolt addressed the appeal of Warren E. Hacker on whether or not the Applicant is entitled to include as compensation earnings paid by a separate employer within the same State agency. It is recommended the request of Warren E. Hacker to include his overtime earnings as compensation for the purpose of PERS participation be allowed.

Mr. Richardson made a motion to accept the recommendation of the Hearing Officer and approve the appeal of Warren E. Hacker to include his overtime earnings as compensation for the purpose of PERS participation. The motion was seconded by Mr. Fletcher. The motion carried unanimously.

Hearing Officer Anne Charnock addressed the appeal of Deanna Saxton on whether or not the Board was correct to deny Applicant's request for total non-duty disability retirement. It is recommended that the request of Deanna Saxton be denied, with the change on page 5 of the Recommended Decision; with the word "affirmed" changed to the word "denied".

Mr. Fletcher made a motion to accept the recommendation of the Hearing Officer and deny the appeal of Deanna Saxton and change the word "affirmed" to the word "denied" on page 5 of

the Recommended Decision. The motion was seconded by Mr. Bunn. The motion carried unanimously. The reports from the Hearing Officer's are behind Tab #5.

Tab #6: Work in Progress Reports from Legal Counsel

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

Outside Counsel Chambers reported to the Board on the case of James B. Huffman, III, et al in Kanawha County with Judge Kaufman; she reported the opposing counsel entered a Motion to Stay. Judge Kaufman granted the Motion to Stay, and directed counsel for the Interveners to prepare and submit a proposed order. Once the order is entered by the Court, the Board will have 30 days to appeal. In addition, the Court ruled at the hearing that the case would proceed as an administrative appeal, with the underlying claims continuing to be stayed in the meantime. Ms. Chambers asked the Chairman if the Board wanted her to appeal Judge Kaufman's Order.

Chairman Wyant asked the Board if there was a motion to appeal Judge Kaufman's Order. None was heard. The report of the Outside Counsel is behind Tab #6.

Chairman Wyant announced to the Board the status reports are behind Tab #6 for your review from BRIM Counsel regarding the case of Dawn Colette Bland v. State of West Virginia; and the case of Cheryl Dougherty v. Ramona Cerra, et al. The BRIM reports are located behind Tab# 6.

Tab #7: Committee Updates

Accounting & Investment (A & I) Committee:

Chairman Fletcher reviewed the February 29, 2012 minutes of the A & I Committee meeting with the Board. Chairman Fletcher stated the Committee also met this morning prior to the Board meeting.

Investment Management Board (IMB) Representatives Committee:

Executive Director Fleck reviewed with the Board the 2012 Applicants for the IMB Representatives. He reported that the IMB Representatives Committee approved the following IMB Representatives for the following Plans:

| | |
|--------------------------|--------|
| Patricia Hamilton | PERS |
| Tony Lautar, Jr. | TRS |
| William J. Scott | Plan A |
| Michael D. Lynch | Plan B |
| David D. Gentry | DSRS |
| Harold Wayne Harmon, Jr. | EMSRS |

Mr. Richardson made a motion the Board accept the 2012 IMB Representatives as recommended by the IMB Representatives Committee. Captain Corsaro seconded the motion. The motion carried unanimously.

Computer Systems Update Committee:

Chairman Fletcher reported the Committee met last week and recessed the meeting until this morning. He reviewed the RFP Re-issuance Tentative Schedule with the Board and expects the formal Board approval of the RFP will be at the next Board meeting.

Chairman Fletcher made a motion the Board allow Executive Director Fleck to work with L. R. Wechsler to negotiate a sum of funds for services that have been rendered so far. The motion was seconded by Ms. Stout. The motion carried unanimously. All Committee Updates are located behind Tab # 7.

Tab #8: TRS Experience Study – Harry Mandel

Mr. Mandel, Board Actuary gave the Board a summary report of the Experience Study of the Teachers Retirement System (TRS) and the Actuarial Assumptions adopted for the July 1, 2011 Actuarial Valuation. Mr. Mandel announced he would make available a copy of the Experience Study to any Board Member who wished to have one. Ms. Stout requested staff to provide her a copy of the TRS Experience Study. A Summary Report of the TRS Experience Study is located behind Tab #8.

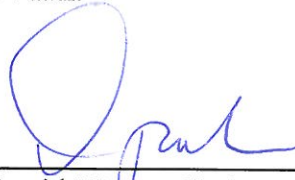
Tab #9: Other, Old Business

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

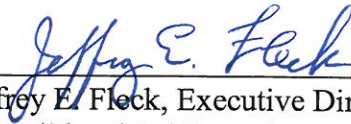
Tab #10: Other, New Business

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

Chairman Wyant adjourned the May 23, 2012 public meeting of the West Virginia Consolidated Public Retirement Board at 11:54 a.m.



David Wyant, Chairman
Consolidated Public Retirement Board



Jeffrey E. Fleck, Executive Director
Consolidated Public Retirement Board