

**MINUTES OF THE  
WV CONSOLIDATED PUBLIC RETIREMENT BOARD  
MEETING OF SEPTEMBER 9, 2009**

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 10:10 a.m. by Chairman David Wyant.

Roll Call was taken and trustees present were:

David Wyant, Esquire, Chairman  
Meredith George, Esquire, *representing Governor Joe Manchin, III*  
Mack Parsons, *representing Auditor Glen Gainer*  
Diana Stout, Esquire, *representing Treasurer John Perdue*  
Cabinet Secretary Robert W. Ferguson, Jr.  
E. Gene Davis  
Drema Evans  
Charles D. Lanham  
Joe Lynch  
Andrew Richardson, Esquire  
Captain Stephen Tucker

A quorum was present. Due notice had been posted.

Also in attendance were:

Anne Werum Lambright, Esquire, Executive Director, CPRB  
Terasa L. Miller, Chief Operating Officer, CPRB  
Anita Brewster, Executive Assistant, CPRB  
Brittany Smith, Office Assistant, CPRB  
Lenna Chambers, Esquire, Bowles Rice McDavid Graff and Love  
Jeaneen Legato, Esquire, In House Legal Counsel  
Jack DeBolt, Esquire, CPRB Hearing Officer  
Jim Gerl, CPRB Hearing Officer  
Cynthia Boyd, CPRB Internal Auditor  
Barbara Haddad, CPRB Chief IT/Information Officer  
Mark Miller, CPA, CPRB Chief Financial Officer  
Jeffrey Fleck, CPRB Compliance Officer  
Harry Mandel, CPRB Board Actuary  
Melody Bailey, CPRB Actuary Assistant  
Lisa Trump, CPRB PERS Manager  
Deana Gose, CPRB Uniform Services Manager  
Vicki Sutton, CPRB TRS Manager  
Barbara Haddad, CPRB IT Manager  
Craig Slaughter, Executive Director WVIMB  
Kris Morton, Great West Regional Manager  
Andrew Wyne, Great West Outreach Officer  
Brent Neece, Great West Eastern Region Vice President  
Misty Peal, WVEA

**Tab #1: Approval of the July 22, 2009, Meeting Minutes**

Secretary Ferguson moved to approve the July 22, 2009, minutes of the Consolidated Public Retirement Board and the motion was seconded by Mr. Richardson. The motion carried unanimously. The minutes are behind Tab #1.

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

Chairman Wyant informed the Board that he had received a letter from Captain Stephen Tucker stating that he was resigning from the CPRB Board of Trustees effective October 1, 2009. Chairman Wyant thanked Captain Tucker for his service to the CPRB Board. Captain Tucker informed the Board that it had been a pleasure being a part of the Board and appreciated the experience.

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

1. Auditor's father:  
Director Lambright informed the Board that Auditor Gainer's father had passed away on September 8<sup>th</sup> and that he had served on the CPRB Board at one time;
2. Website Report;
3. Retirement numbers;
4. TDC/TRS Overages:  
Director Lambright reviewed with the Board the TDC/TRS overages in the amount of \$305,893.77. When all charges are determined, the matter will be presented to the Legislature for reimbursement consideration;
5. Contract:  
Director Lambright informed the Board that the contract for the mailing of the 1099's was bid and Pittsburgh Mailing won the bid and since the contract was over \$25,000.00 she would need the Board approval to enter into the contract. Secretary Ferguson moved that the Board authorize Director Lambright to sign the contract with Pittsburgh Mailing for the mailing of the 1099's. The motion was seconded by Mrs. Evans. The motion passed unanimously;
6. Governor's letter:  
Director Lambright informed the Board that the Governor had sent out a letter, a copy of which was in the Board meeting books, directing that no increases are permitted in contracts with landlords or vendors;
7. OPEB  
Director Lambright informed the Board that the Governor had set up an OPEB work group with Ted Cheatham, Secretary Ferguson, Jim Pitrolo and herself along with teachers unions, the public employees unions, the troopers association, the school superintendents association and others to deal with the litigation issues arising from the PEIA Finance Board's decisions. She further informed the Board that a copy of the report that she was asked to provide to the Governor regarding

- comparison pension information was in the Board meeting books;
8. CAPPP:  
Director Lambright informed the Board that several CPRB staff members had taken and passed the first part of the CAPPP program and a copy of their letter was in the Board meeting books. Director Lambright further informed the Board that 3 staff members had completed and passed both parts and would be receiving their Certificate which would be displayed in the front lobby;
  9. Flu Shots:  
Director Lambright informed the Board that Mark Miller had scheduled an onsite flu shot clinic at CPRB and that the Board members were welcomed to attend and participate;
  10. Legislature:  
Director Lambright informed the Board that the Legislature would be back for September interims on September 14-16;
  11. Outreach Seminars:  
Director Lambright informed the Board that a schedule of the Outreach Seminars being held around the state was in the Board meeting books and that in the front pocket was a copy of the Department of Administration's Note, Quotes and Anecdotes which contained an article on the outreach seminars;
  12. Lexis/Nexis:  
Director Lambright informed the Board that in our efforts to find people for the RMD purposes and for "death" files that have remained unsolved for some time, CPRB had signed up with the services that Lexis/Nexis offers under a state contract;
  13. PERS Compliance Report:  
Director Lambright informed the Board that a copy of the PERS Compliance Report prepared by Jeffrey Fleck, Chief Compliance Officer, was in the pocket of the Board meeting books and it had been reviewed by the state PERS and non-state PERS Trustees;
  14. Arnett and Foster:  
Director informed the Board that Arnett and Foster accountants will be leaving the end of September and have done a great job with the transfer from TDC to TRS. She further informed the Board that CPRB would owe Arnett and Foster an additional \$70,000.00 to \$75,000.00 above the original contract;
  15. TDC/TRS Transfer Update:  
Director Lambright informed the Board that 44% of the members that had elected to transfer from TDC to TRS have purchased their 25% service credit;
  16. Debt Reduction Information:  
Director Lambright informed the Board that the State Budget Office has decided to put some of the debt reduction money into TRS starting July 1;
  17. Humana Questions:  
Director Lambright informed the Board that a copy of the Humana frequently asked questions was in their book which had been provided to us from PEIA to assist with any calls we may get regarding the replacement of the Coventry's

Advantra Freedom medical plan with Humana;

18. Reality Investing:

Director Lambright informed the Board that a copy of the Reality Investing Statistics was in the Board meeting books for their review;

**Tab #3: Plans Investment Data**

Craig Slaughter, Executive Director of the West Virginia Investment Management Board, reviewed with the Board the WVIMB data for the periods of June and July 2009. Discussion followed.

Kris Morton, Great West Regional Manager, informed the Board that for July 2009 had been a good month.

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

E. Gene Davis, Chair of the Disability Review Committee, reviewed the disability report with the Board. He stated that the Committee met prior to this Board meeting and offered the following recommendations:

System	Yes	No	Total
PERS	28	1	29
TDC	3	0	3
TRS	6	1	7
TDC/TRS TRANSFER	4	0	4
TOTAL	41	2	43

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

Chairman Wyant informed the Board that there were medical, legal and personnel issues which would need to be discussed in Executive Session.

Secretary Ferguson made a motion that the Board go into Executive Session to discuss the medical, legal and personnel issues as allowed by West Virginia Code § 6-9A-4. The motion was seconded by Ms. Evans and carried unanimously. The Board went into Executive Session at 10:30 a.m.

The Board reconvened the Public Session of the July 22, 2009, meeting of the Consolidated Public Retirement Board at 12:03 p.m.

Chairman Wyant announced that no decisions were made during the Executive Session.

**Tab #5: Consideration of Appeals to Hearing Officers**

Hearing Officer DeBolt addressed the appeal of David Blevins. Ms. Evans moved to accept the recommendation of the Hearing Officer and deny the appeal of Mr. Blevins. The motion was seconded by Mr. Davis. The motion carried unanimously.

Hearing Officer DeBolt addressed the appeal of Michael Brooks. Mr. Richardson moved to accept the recommendation of the Hearing Officer and deny the appeal of Mr. Brooks. The motion was seconded by Mr. Lynch. The motion carried unanimously.

Hearing Officer DeBolt addressed the appeal of Dottie Hess. Mr. Davis moved to accept the recommendation of the Hearing Officer and deny the appeal of Ms. Hess. The motion was seconded by Mr. Lanham. Discussion followed. The motion carried unanimously.

Hearing Officer DeBolt addressed the appeal of George Worden. Ms. Evans moved to accept the recommendation of the Hearing Officer and deny the appeal of Mr. Worden. The motion was seconded by Mr. Davis. The motion carried unanimously.

Hearing Officer Gerl addressed the appeal of Vanessa Bozeman. Ms. Stout moved that the Board not accept the recommendation of the Hearing Officer and that In-House Legal Counsel be directed to prepare an Order for review by the Board at its next meeting that would allow Ms. Bozeman to transfer from the Teachers' Defined Contribution Retirement System (TDC) into the Teachers' Retirement System (TRS). The motion was seconded by Mr. Richardson. The motion carried unanimously.

Hearing Officer Gerl addressed the appeal of George Powers. Mr. Richardson moved to accept the recommendation of the Hearing Officer and deny the appeal of Mr. Powers. The motion was seconded by Mr. Lynch. The motion carried unanimously.

Chairman Wyant informed the Board that Hearing Officer Charnock had just received correspondence from the attorney for Michael Piziak and she had requested that the appeal of Michael Piziak be pulled from the agenda until the next Board Meeting. Hearing no objections, the Chairman ordered that this appeal be pulled from the agenda and placed on the agenda for the next Board Meeting.

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

In-House Legal Counsel Jeanene Legato gave a report to the Board concerning all pending legal matters. Discussion followed.

Captain Tucker moved that the Board instruct In-House Legal Counsel to proceed with the proper procedure to terminate the retirement account of Robert Thomas as a result of Less Than Honorable Service. The motion was seconded by Secretary Ferguson. The motion carried unanimously.

Chairman Wyant questioned the Board as to what was their pleasure with regard to the filing of the insurance claim form on the overpayments to annuitants drawing dual pensions from JRS and PERS. Secretary Ferguson moved that the Board instruct In-House Legal Counsel to file the insurance claim form with the proper authorities regarding the overpayment to annuitants drawing dual pensions from JRS and PERS. The motion was seconded by Mr. Richardson. The motion carried unanimously.

Report of In House Legal Counsel is behind Tab #6.

Outside Legal Counsel Lenna Chambers gave a report to the Board concerning all pending legal matters. Discussion followed. Ms. Stout moved that the Board instruct Outside Legal Counsel to file the proper documents to appeal the decision regarding Richard Burton. The motion was seconded by Mr. Davis. The motion carried unanimously.

Report of Outside Legal Counsel is behind Tab #6.

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

Chairman Tucker reported to the Board that the Accounting and Investment Committee had met prior to the Board meeting and that the Committee was recommending that the Board replace the Bond Fund of America with the PIMCO Total Return Admin. Bond fund. Mr. Richardson moved that the Board replace the Bond Fund of America with the PIMCO Total Return Admin. Bond fund. The motion was seconded by Mrs. Evans. The motion carried unanimously.

At this time Kris Morton introduced Brent Neece, Great West Eastern Region Vice President.

Secretary Ferguson informed the Board that the Actuarial Assumptions Review Committee had met and asked that Mr. Mandel review with the Board the information he had shared with the Committee with regard to the Law Enforcement Experience Study. Mr. Mandel did a brief overview with the Board.

Meredith George, in the absence of Jonathan Deem, informed the Board that the Computer Systems Update Committee had met and reviewed the one bid that had been received and that the Computer Systems Update Committee would be scheduling a meeting later in September to evaluate the bid.

Cabinet Secretary Ferguson informed the Board that the Internal Audit Committee had met on September 8, 2009 and was recommending the Internal Audit Charter, a copy of which was in the Board meeting books, be approved by the Board. Ms. Stout moved that the Board accept the recommendation of the Internal Audit Committee and approve the modifications to the Internal Audit Charter. The motion was seconded by Mr. Lanham. The motion carried unanimously.

#### **Tab #8: Law Enforcement Experience Study**

Harry Mandel, Board Actuary, reviewed with the Board the Law Enforcement Experience Study. Discussion followed. Secretary Ferguson moved that the Board accept the recommendation of the Board Actuary with regard to the Law Enforcement Experience Study as

presented. The motion was seconded by Mr. Richardson. The motion passed unanimously.

**Tab #9: Actuarial Interest Rate Review**

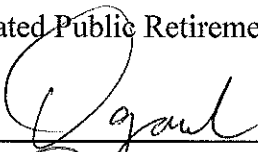
Mr. Mandel reviewed with the Board the Actuarial Interest Rate Review. Discussion followed. Mrs. Evans moved that the Board accept the recommendation of the Board Actuary and approve the continuation of the 7.5% long term interest rate and discount assumptions for all plans. The motion was seconded by Mr. Lanham. The motion passed unanimously.

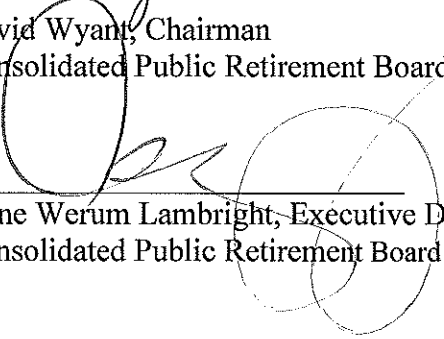
**Tab #10: Old Business**

Chairman Wyant asked for old business and none was heard.

**Tab #11: 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 1:00 p.m.

  
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David Wyant, Chairman  
Consolidated Public Retirement Board

  
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Anne Werum Lambright, Executive Director  
Consolidated Public Retirement Board