

**MINUTES OF THE
WV CONSOLIDATED PUBLIC RETIREMENT BOARD
MEETING OF DECEMBER 15, 2010**

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 10:07 a.m. by Chairman David Wyant.

Roll Call was taken and trustees present were:

David Wyant, Esquire, Chairman
Mary Claire Davis, Esquire, *representing Governor Earl Ray Tomblin*
Cabinet Secretary Robert Ferguson
Mack Parsons, *representing Auditor Glen Gainer*
Diana Stout, *representing Treasurer John Perdue*
Thomas Bradley
Captain Mike Corsaro
David Fletcher
Charles Lanham
Joe Lynch
Todd Murray
Sergeant Tony Payne
Andrew Richardson, Esquire

Trustees not present:

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
Anne Charnock, Esquire, Hearing Officer
Donna Lipscomb, Department of Administration
Jeffrey Fleck, CPRB Compliance Officer
Mark Miller, CPRB Chief Financial Officer
Craig Slaughter, Esquire, WVIMB Executive Director
Kris Morton, Great West Regional Manager
Andrew Wyne, Great West Outreach Officer
Charles Smith, ING
Don Gilson, ING
John Galloway, Gibbons & Kawash
David Garrett, Masters Law Firm
Misty Peal, WVEA
Cindy Adkins, CPRB Office Manager
Alysia Miller, CPRB Paralegal
Barbara Haddad, CPRB Chief IT/Information Officer
Harry Mandel, CPRB Board Actuary

Melody Bailey, CPRB Actuary Assistant
Cindy Boyd, CPRB Project Manager
Lisa Trump, CPRB PERS Manager
Deana Gose, CPRB Uniformed Services Manager
Caroline Brady, CPRB PERS Assistant Manager
Torrie Williams, CPRB PERS Staff
Brittany Smith, CPRB TRS Staff

Tab #1: Approval of the November 3, 2010 Meeting Minutes

Mr. Fletcher moved to approve the November 3, 2010 minutes of the Consolidated Public Retirement Board. The motion was seconded by Mr. Parsons. The motion carried unanimously. The minutes are behind Tab #1.

Approval of the November 17, 2010 Meeting Minutes

Mr. Richardson moved to approve the November 17, 2010 minutes of the Consolidated Public Retirement Board. The motion was seconded by Mr. Lanham. The motion carried unanimously. The minutes are 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. Retirement Numbers: Acting Director Miller reviewed with the Board the retirement numbers for PERS and TRS for the month of November 2010.
2. Acting Executive Director Miller welcomed Mr. Thomas Bradley to the Board; she announced they have had a Board orientation meeting. Mr. Bradley represents the Teachers Defined Contribution System (TDC) and was appointed to the Board by Governor Manchin.
3. Chairman Wyant also welcomed Mr. Thomas Bradley to the Board, and appointed Mr. Bradley to the A&I Committee.
4. Acting Director Miller informed the Board she had been in correspondence with the Weston Democrat to do an article on former Board Member Gene Davis.
5. Acting Director Miller informed the board of the Various Plans Updates:
 - a. EMSRS - 11 members have applied for retirement effective January 2011, 8 of which are from Kanawha County. Also, during the past three years there have been no disabilities in the EMSRS Plan;
 - b. The Public Safety Officer annual mailing is completed;

- c. State Police Disability Experience Annual Report provided and sent to Governor Tomblin as required per statute;
 - d. TRS Annual Statements are being mailed out and the TRS Pension Press is behind Tab 2; and
 - e. School of Deaf and Blind - the Legislative Auditor is sending auditors to Romney to review contractual issues pertaining to service and retirement participation eligibility.
6. CPRB staff is currently working on Plans Project/JCQ's and detailing their job descriptions.
 7. Acting Director Miller reported on the Computer Project and stated the RFP has been sent over to the Division of Purchasing and Ms. Cindy Boyd is working on proper formatting. Ms. Barbara Haddad, IT Manager, is working on the Data Cleansing project.
 8. Chairman Wyant reported that with the recent changes in the Executive Branch, he would like to appoint Mr. Fletcher as Chairman of the Computer System Update Committee and Mr. Dettinger or the representative of the Governor's Office to be added as a member of that committee as well.
 9. Acting Director Miller reviewed with the Board the CPRB financials at 23.5% of the annual fiscal budget for month ending November 2010.
 10. Acting Director Miller announced to the Board the Municipal Pensions Oversight Board (MPOB) has been meeting and she has attended several meetings. The MPOB has hired an executive director to start in January 2011.
 11. Legislative Interims;
Acting Director Miller reviewed with the Board the ongoing meetings and pension issues taking place during legislative interims.
 - a. Presentation at the November pension interim meeting on Deferred Retirement Option Plan (DROP) plans for the Municipal Police and Fire Plan.
 - b. Reviewed the Trooper Disability Recertification information and statistics requested by the Joint Government and Finance Committee with the Board.
 - c. Informed the Board CPRB has received 53 of 61 Trooper disability medical re-certifications reports, of which 49 have been approved.
 - d. Informed the Board the Legislature hired Buck Actuaries to do a study on a Deferred Retirement Option Plan (DROP) for PERS and TRS members. The Legislature is trying to find a solution on how to fund the OPEB Liability. The

contract with Buck Actuaries is between the Legislature and Buck, not the CPRB.

- e. During Interims this past year, the Joint Pension Committee approved a severance package for West Liberty University. A letter was sent yesterday to President Robin Capeheart, with a copy to Joint Pensions Committee, stating West Liberty University owes the Teachers' Retirement Plan \$121,250.00 if paid in full by January 1, 2011. CPRB entered into a Memorandum of Understanding (MOU) with West Liberty University in August 2010 in order for the Joint Pension Committee to approve the severance plan. If this amount is not paid in full by January 1, 2011, interest will accrue at 7.5% and total payment must be paid no later than December 31, 2012.

Chairman Wyant asked if there were any questions or comments for the Acting Executive Director's report. None was heard.

Tab #3: Plans Investment Data

Mr. Craig Slaughter, Executive Director of the Investment Management Board (IMB), reviewed with the Board the current investment information from the IMB as of October 31, 2010. The 10 year return is at 5.5%, putting West Virginia plans in the top 50% of public plans across the country. Mr. Slaughter discussed recent IMB asset liability studies and asset allocations for the plans and these reports confirmed what IMB has been doing. Mr. Kris Morton with Great West Retirement Services stated the TDC plan investments are meeting and/or exceeding benchmarks.

Tab #4: 2010 Financial Audit (Gibbons & Kawash)

Mr. John Galloway from Gibbons & Kawash reviewed with the Board the fiscal year 2010 financial audit of the CPRB. Mr. Galloway noted Gibbons & Kawash expressed an unqualified opinion, which means the financial statements do present fairly. Mr. Galloway reported no significant audit adjustments and there were only some very minor inconsequential differences everyone agreed were not even close to being material. Last year, there was a finding relating to accounts payable in the internal service fund, and that condition has been resolved and there was not a repeat finding. This year, one control deficiency was found. Due to staffing problems during the year, there was a delay in the TDC reconciliation process for the TDC bank account and staff got behind about six months. He noted that staff has caught up the reconciliations and were current as of the end of September. He stated there was great cooperation with all of the staff. Chairman

asked the Board if there were any questions for Mr. Galloway. The fiscal year 2010 financial audit is behind Tab #4.

Tab #5: Consideration of Current Disability Retirement Applications

Captain Corsaro reported to the Board that the Disability Committee met on December 14, 2010 and recommends to the full Board the following recommendations:

System	Yes	No	Total
PERS	13	0	13
TDC	2	0	2
TDC/TRS Transfer	8	0	8
TRS	6	2	8
TOTAL	29	2	31

Of the “yes” recommendations, 1 under PERS and 1 under TDC/TRS Transfer are approved conditioned upon a one year re-examination by a CPRB physician.

Mr. Richardson moved the Board accept the Disability Committee’s recommendations concerning the retirement disability applications. The motion was seconded by Mr. Lynch. The motion carried unanimously. The disability list is behind Tab #5.

Tab #6: Consideration of Appeals to Hearing Officers – Jack DeBolt & Anne Charnock

Chairman Wyant announced to the Board there are medical, commercial competition and legal issues that will need to be taken up during an Executive Session. Secretary Ferguson made a motion that the Board go into Executive Session to discuss matters mentioned by the Chairman as allowed by West Virginia Code § 6-9A-4 and also added a personnel issue to be addressed. The motion was seconded by Mr. Fletcher. The Board went into Executive Session at 10:33 a.m.

Mr. Richardson departed at 11:35 a.m.

The Chairman reconvened the Public Session of the December 15, 2010 meeting of the

Consolidated Public Retirement Board from Executive Session at 11:48 a.m. He announced there were no decisions made during Executive Session. He stated the Board was in Executive Session to discuss medical issues, personnel matters, a legal matter and a competitive contractual issue. The Board will return to Tab #6 Consideration of Appeals to Hearing Officers.

Hearing Officer DeBolt addressed the appeal of Dennie Duncan. Secretary Ferguson moved to accept the recommendation of the Hearing Officer and deny the request of Dennie Duncan to purchase the remaining twenty-five percent of his TDC service credit. The motion was seconded by Mr. Murray. The motion carried unanimously.

Hearing Officer DeBolt addressed the disability appeal of Jeffrey Sattler whose medical issues were discussed during Executive Session. Captain Corsaro moved the Board accept the recommendation of the Hearing Officer and deny the appeal of Jeffrey Sattler for disability retirement benefits from the Public Employees Retirement System. The motion was seconded by Mr. Fletcher. The motion carried unanimously.

Hearing Officer DeBolt addressed the appeal of Jill Taylor. Mr. Fletcher moved the Board accept the recommendation of the Hearing Officer and deny the appeal of Jill Taylor who requested her disability retirement benefits from the Public Employees Retirement System commence the first day of the month following the month of her last employment. The motion was seconded by Mr. Lynch. The motion carried unanimously with Ms. Stout abstaining from vote.

Hearing Officer DeBolt addressed the appeal of Lewis West. Mr. Fletcher moved the Board accept the recommendation of the Hearing Officer and approve the appeal of Lewis West who requested to retain his PERS service credit for the period of 1997 to 2010 and return his TDC contributions for the same period to him and forfeit his TDC service credit. The motion was seconded by Mr. Lanham. There was discussion on the motion and the motion carried unanimously.

Hearing Officer Charnock addressed the appeal of Doug Cipoletti. Sergeant Payne moved the Board accept the recommendation of the Hearing Officer and deny the appeal of Doug Cipoletti. The motion was seconded by Captain Corsaro. The motion carried unanimously.

Hearing Officer Charnock addressed the appeal of Joyce Parello. Mr. Fletcher moved the Board accept the recommendation of the Hearing Officer and deny the appeal of Joyce Parello. The motion was seconded by Mr. Parsons. There was discussion on the motion and the motion carried unanimously.

Hearing Officer Charnock addressed the appeal of Jon Sanders. Ms. Stout moved the Board accept the recommendation of the Hearing Officer and deny the appeal of Jon Sanders. The

motion was seconded by Mr. Fletcher. There was discussion on the motion and the motion carried unanimously.

Tab #7: Work in Progress Reports from Legal Counsel

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

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

Ms. Legato reported that on November 22, 2010, Judge Stucky granted the Board's Motion to Dismiss in the Trooper Injunction case. Ms. Legato also stated the Board received a law suit yesterday in the matter of Dr. Rivard Wilcox.

Ms. Legato brought three Less Than Honorable Service (LTHS) cases before the Board for disqualification.

Chairman Wyant asked the Board if they wanted to make a motion or take action on the LTHS case of Johnny Ray Dempsey. None was heard.

Chairman Wyant asked the Board if they wanted to make a motion or take action on the LTHS case of Jack Micah Feltner. None was heard.

Chairman Wyant asked the Board if they wanted to make a motion or take action on the LTHS case of Mary Jane Bowling. Secretary Ferguson made the motion for counsel to proceed with the Less Than Honorable Service case against Mary Jane Bowling. The motion was seconded by Ms. Stout. The motion carried unanimously.

Chairman Wyant asked the Board if they had any questions or comments of the In-House Counsel; discussion followed. The report of In House Legal Counsel is behind Tab #7.

Outside Legal Counsel Presentation – Lenna Chambers, Bowles Rice

Outside Legal Counsel Lenna Chambers gave a report to the Board concerning all pending legal matters.

Ms. Chambers reported the Supreme Court issued an order on November 22, 2010 in favor of the Board in the consolidated case of Richard Burton and Rodney Myers. Ms. Chambers also reported a favorable ruling in the Dennis Jarvis case from Judge Stucky.

Ms. Chambers informed the Board that Acting Executive Director Miller received a letter from Green Acres regarding the debt collection and asked the Board for permission for Ms. Miller to respond to the letter. Secretary Ferguson made a motion the Board allow Acting Executive Director Miller to respond to the letter from Green Acres. Mr. Parsons seconded the motion. The

motion carried unanimously. Report of Outside Legal Counsel is behind Tab #7.

Tab #8: Committee Updates

Accounting and Investment Committee:

Mr. Fletcher informed the Board the Accounting and Investment (A & I) Committee has met numerous times to review and evaluate the Teacher Defined Contribution (TDC) Third Party Administrator Request for Proposals (RFP) received. Great West was awarded 94 points and ING was awarded 82 points. Mr. Fletcher made a motion to approve the final points and send the scores to Purchasing for the awarding of the contract. Mr. Bradley seconded the motion. The motion carried unanimously with Secretary Ferguson abstaining from the vote. Mr. Fletcher thanked the A&I Committee for all of their time in completing this matter.

Mr. Fletcher asked Kris Morton, with Great West, to provide the Board with the Annual TDC Plan Review. Mr. Morton reviewed the Annual TDC Plan Review behind Tab #8 with the full Board.

Internal Audit Committee:

Secretary Ferguson announced to the Board the Internal Audit Committee met on December 14, 2010 and has two pieces of business to report to the Board. The Internal Audit Committee completed the annual evaluation of Cindy Boyd and the Internal Audit Committee is placing an ad in the newspapers for the internal auditor vacancy.

Tab #9: DSRS, EMSRS & MPFRS Actuarial Valuations (Harry Mandel)

Mr. Mandel reviewed with the Board the Valuations of the Deputy Sheriff's Retirement System (DSRS), Emergency Medical Services Retirement System (EMSRS) and the Municipal Police and Fire Retirement System (MPFRS) as of July 1, 2010. These plans, which include the EMSRS, DSRS and MPFRS annual valuations, are completed in-house. Buck Consultants will provide the valuations for the other plans during the January meeting.

Mr. Mandel reviewed with the Board the valuation report for the EMSRS and reported the plan as being 75.1% funded as of July 1, 2010. Mr. Lynch made a motion to accept the EMSRS valuation results by Mr. Mandel. The motion was seconded by Mr. Fletcher. The motion carried unanimously.

Mr. Mandel reviewed with the Board the valuation report for the DSRS and reported the plan as being 66.4% funded as of July 1, 2010. Chairman Wyant discussed CPRB proposed

legislation from last year allowing the Board to set the employer contribution rate and asked that it be reintroduced this session. Mr. Murray made a motion to accept the DSRS valuation results by Mr. Mandel. The motion was seconded by Captain Corsaro. The motion carried unanimously.

Mr. Mandel informed the Board he would need a motion from the Board to adopt the EMSRS benefit formula increase from 2.6% to 2.75% for the first twenty years of service effective January 1, 2011 and maintain the employer contribution rate at 10.5%. Mr. Lynch made the motion to adopt Mr. Mandel's recommendation to increase the EMSRS benefit formula from 2.6% to 2.75% for the first twenty years of service effective January 1, 2011 and maintain the employer contribution rate at 10.5%. Mr. Fletcher seconded the motion. There was discussion on the motion and the motion carried unanimously.

Mr. Mandel reviewed with the Board the valuation report for the MPFRS and reported the plan as being 79.7% funded as of July 1, 2010. Mr. Parsons made a motion to accept the MPFRS valuation results by Mr. Mandel. Sergeant Payne seconded the motion. There was discussion on the motion and the motion carried unanimously.

Mr. Fletcher made a motion to accept the recommendation of the actuary to maintain the MPFRS member and employer contribution rates at 8.5 percent of payroll for FY 2012. Mr. Lynch seconded the motion. The motion carried unanimously.

Tab #10: 2011 Proposed Legislation

Acting Executive Director Miller reviewed with the Board the proposed legislation for the Heroes Earnings Assistance and Relief Tax (HEART) Act. This legislation is required by federal law to keep the qualified status of our plans and would provide death benefits to survivor of members who die while performing qualified military service. Sergeant Payne made a motion to authorize Acting Executive Director Miller to submit this proposed legislation for consideration by the legislature. Mr. Lynch seconded the motion. The motion carried unanimously.

Acting Executive Director Miller reviewed with the Board the proposed legislation for the Municipal Police and Fire Retirement System (MPFRS) pertaining to direct rollovers to Roth IRAs. Mr. Lanham made a motion to authorize Acting Executive Director Miller to submit this legislation to the appropriate committee or area of the legislature for consideration. Sergeant Payne seconded the motion. The motion carried unanimously.

Tab #11: Other, Old Business

Chairman Wyant asked for old business. Mary Claire Davis asked General Counsel, Ms. Legato, to explain the process of the Less Than Honorable Service and how a motion would be

made. Ms. Legato explained the process to Ms. Davis.

Ms. Davis made a motion to return back to Tab 7, the Report of the In-house Legal Counsel and authorize the Board's attorney to proceed with the steps necessary for Less Than Honorable Service for Johnny Dempsey. Captain Corsaro seconded the motion. The motion carried with Mr. Bradley voting against the motion.

Ms. Davis made a motion to authorize the Board's attorney to proceed with the steps necessary for Less Than Honorable Service for Jack Feltner. Mr. Fletcher seconded the motion. The motion carried with Mr. Bradley voting against the motion.

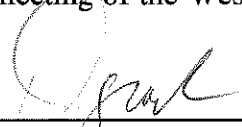
Chairman Wyant then asked if there was any other old business and none was heard.

Tab #12: Other, New Business

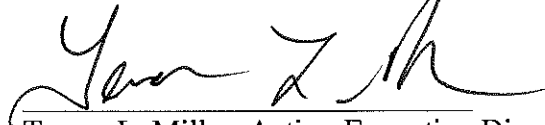
Chairman Wyant asked for new business. Chairman Wyant announced to the Board the tentative 2011 Board Meeting Schedule is behind this tab.

Chairman Wyant then asked if there was any other business and none was heard.

Chairman Wyant adjourned the public meeting of the West Virginia Consolidated Public Retirement Board at 1:01 p.m.



David Wyant, Chairman
Consolidated Public Retirement Board



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