

**MINUTES OF THE
WV CONSOLIDATED PUBLIC RETIREMENT BOARD
MEETING OF APRIL 13, 2011**

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 11:10 a.m. by Chairman David Wyant.

Roll Call was taken and trustees present were:

David Wyant, Esquire, Chairman
G. Kurt Dettinger, Esquire, *representing Governor Earl Ray Tomblin*
Diana Stout, *representing Treasurer John Perdue*
Donna Lipscomb, *representing Cabinet Secretary Robert Ferguson*
Thomas Bradley
Captain Michael Corsaro
Drema Evans
David Fletcher
Joe Lynch
Todd Murray
Sergeant Tony Payne
Andrew Richardson, Esquire

Trustees not present:

Mack Parsons, *representing Auditor Glen Gainer*

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
Jeffrey Fleck, CPRB Compliance Officer
Craig Slaughter, Esquire, WVIMB Executive Director
Kris Morton, Great West Regional Manager
Andrew Wyne, Great West Outreach Officer
Bryan Stover, Kanawha County Commission
David Fontalbert, Kanawha County Commission
David Gentry, WV Deputy Sheriffs Association
Michael A. Clark, WV Deputy Sheriffs Association
Carrie Clendenin, Kanawha County Commission
Eric Stringer, CPRB IT Officer
Harry Mandel, CPRB Board Actuary
Melody Bailey, CPRB Actuary Assistant
Cindy Boyd, CPRB Project Manager
Annamarie Short, CPRB Internal Auditor
Lisa Trump, CPRB PERS Manager
Deana Gose, CPRB Uniformed Services Manager

Caroline Brady, CPRB PERS Assistant Manager
Brittany Smith, CPRB TRS Staff
Alysia Miller, CPRB Paralegal
Torie Williams, CPRB PERS Membership
Tracy Batman, CPRB PERS Benefits
Misty J. Peal, WVEA

Tab #1: Approval of the March 2, 2011 Meeting Minutes

Mr. Dettinger moved to approve the March 2, 2011 minutes of the Consolidated Public Retirement Board (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 Acting Executive Director

Chairman Wyant reported to the Board a resignation letter from Board Member Charles Lanham has been received which is behind Tab #2. We thank him for all his years on the Board. Chairman Wyant announced he had several Committee Appointments to make, they are as follows:

Executive Director & Actuary Review Committee

Kurt Dettinger, *representing Governor Earl Ray Tomblin*
Andy Richardson, Esquire

Internal Audit Committee

Sergeant Tony Payne
Captain Michael Corsaro

Trooper & Deputy Sheriff Scholarship Committee

Todd Murray, Chair
Sergeant Tony Payne
Captain Michael Corsaro

Investment Policy Review Committee

Thomas Bradley
Cabinet Secretary Robert Ferguson
Mack Parsons, *representing Auditor Glen Gainer*

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 March retirement numbers for the Public Employment Retirement System (PERS) and the Teachers' Retirement System (TRS).
2. Acting Director Miller reviewed with the Board that Governor Tomblin has signed off on all of the bills submitted by the CPRB to the Legislature. Legislative Rules will be final filed by the end of this week and we will be starting on proposed changes for the Legislative Rules for next year. Acting Executive Director Miller announced to the Board she will be bringing the proposed Legislative Rules for next year to the Board at the May 25th Board Meeting and if they have any proposed changes to please let her know. Acting Executive Director Miller then reviewed with the Board all of the legislation that had been passed by the Legislature and signed by the Governor.
3. Acting Director Miller reviewed with the Board that staff is getting ready to mail the annual statements for PERS, EMSRS, MPFRS and State Police Plans A & B.
4. At the last Board meeting I reported on two participating employers who were delinquent in employee and employer contributions and to date still have not paid. Letters have been sent out to employees notifying them they will not receive their annual statements until we receive the employee and employer contributions. We are hoping the employer will become current shortly after the employees receive this notification.
5. Acting Director Miller reviewed with the Board the PERS Pension Press, PERS Retirement Seminars and the TDC Fund Change Seminars. We encourage Board Members to attend.
6. Acting Director Miller discussed with the Board the TDC investment fund changes. Andrew Wyne from Great West has been working to set up seminars to help educate our TDC members with regard to the TDC changes.
7. Acting Executive Director Miller reviewed with the Board that all EMRS are participating in the Employer Reporting Web Contributions and we are currently in the process of working on DSRS for Web Reporting.
8. Acting Executive Director Miller reported to the Board we have been working with the Auditor's office regarding the eNod system for retirees. The Auditor's office is the process of changing it over to "My Apps". We will have to notify approximately 4,000 retirees of this change and they will have to change their passwords. We are also working with the Auditor's office regarding the ACH tax

payments to the IRS.

9. Acting Director Miller reported a status update on the Computer Project; the RFP was issued on April 1, 2011 for the overhaul of the computer system. We have a mandatory pre-bid conference on April 27th and the deadline for the proposals will be June 1, 2011. We would like to thank the Board Committee members and Cindy Boyd for all of their hard work.
10. Acting Director Miller reviewed the Data Cleansing Project with the Board and reported that we are working with the data cleansing on a daily basis.
11. Acting Director Miller reviewed the March 2011 Financials and reported the agency is at 42.7% of the annual fiscal budget.
12. Acting Director Miller announced we have our Financial Auditor RFP out for bid and those bids are due back on April 26, 2011. Hopefully we will have a recommendation for the Board at the next Board meeting.
13. Acting Director Miller informed the Board that Harry Mandel and Melody Bailey attended the 36th Annual Enrolled Actuaries Meeting, March 27th through March 30th in Washington, DC.
14. Acting Director Miller notified the Board that for the Month of May, CPRB has another Employee of the Month - Sarah Hunter. We are very proud of Sarah.
15. Acting Director Miller informed the Board that she had one personnel matter that would need to be discussed during Executive Session and this concluded her report. Chairman Wyant and Acting Executive Director's reports are located behind Tab #2.

Tab #3: Plans Investment Data

Diana Stout announced to the Board that Craig Slaughter has received the Institutional Investor Small Public Fund Manager of the Year award. Chairman Wyant congratulated Mr. Slaughter and Investment Management Board (IMB). Mr. Slaughter, Executive Director of the IMB, reviewed with the Board the current investment information from the IMB as of February 28, 2011. Kris Morton, Great-West Retirement System, reviewed with the Board the investments of the TDC Plan. The reports from Mr. Slaughter and Mr. Morton are behind Tab #3.

Tab #4: Consideration of Current Disability Retirement Applications

Ms. Evans reported to the Board the Disability Committee met on March 1, 2011 and makes the following recommendations to the full Board:

System	Yes	No	Total
EMSRS	1*	0	1*
PERS	20	3	23
ST. POLICE PLAN A	1	0	1
TDC	1	0	1
TDC/TRS TRANSFERS	7	0	7
TRS	3	0	3
TOTAL	33	3	36

*Approval conditioned upon a one year reexamination.

Mr. Fletcher moved the Board accept the Disability Committee's recommendations concerning the disability retirement applications. The motion was seconded by Mr. Payne. The motion carried unanimously.

Ms. Evans announced to the Board that last year members in the State Police Plan A and B were sent for medical re-certification and all 71 recertification reports are in.

Upon the recommendation of the Disability Review Committee, Ms. Evans made a motion that the disabled retirees of the Deputy Sheriff's Retirement System (DSRS) who are less than 60 years old be sent to a CPRB board doctor scheduled by Midwest Exams at DSRS expense. The motion was seconded by Captain Corsaro. The motion carried unanimously. The disability list is behind Tab #4.

Tab #5: Consideration of Appeals to Hearing Officers – Jack DeBolt

Ms. Stout made a motion that the Board go into Executive Session to discuss the medical issues related to pending appeals, a Less Than Honorable Service matter, a legal matter and a personnel matter as allowed by West Virginia Code § 6-9A-4. The motion was seconded by Ms. Evans. The Board went into Executive Session at 11:35 a.m.

The Chairman reconvened the Public Session of the April 13, 2011 meeting of the Consolidated Public Retirement Board from Executive Session at 1:20 p.m. Chairman Wyant stated the Board was in Executive Session to discuss medical issues related to pending appeals, a

Less Than Honorable Service matter, a legal matter and a personnel matter. It was announced there were no decisions made during Executive Session. The Board will return to Tab #5, Appeals for Consideration of the Hearing Officer, Jack DeBolt.

Mack Parsons, representing Auditor Glen Gainer arrived at 1:22 p.m.

Hearing Officer DeBolt addressed the appeal of Darrin Campbell on whether or not Mr. Campbell is able to engage in gainful employment so as to reduce his disability status from total to partial within the meaning of §15-2-31 of the West Virginia Code. It is recommended Mr. Campbell be provided an examination by another Board selected-physician at the expense of the State Police, that Dr. Bailey's examination and report not be utilized but that the Applicant's disability status remains as currently designated subject to receipt of the results of the new examination. Should the new examination not support the reduction in benefits, the Applicant should be paid the increment lost in the interim.

Captain Corsaro moved the Board remand the Appeal of Darrin Campbell back to the Hearing Officer to reopen the hearing for the purpose of taking additional testimony from Doctor Marsha Bailey regarding her medical opinion. The motion was seconded by Mr. Richardson. The motion carried unanimously.

Hearing Officer DeBolt addressed the appeal of Richard Clark on whether or not the Applicant is entitled to total duty-related disability benefits under the provisions of §15-2-19 of the West Virginia Code. It is recommended the request of Richard Clark for total duty-related disability benefits from the State Police Death, Disability and Retirement System be approved.

Sergeant Payne made a motion to accept the Hearing Officer's recommendation and to approve the appeal of Richard Clark. Mr. Lynch seconded the motion and the motion carried with Captain Corsaro voting against.

Hearing Officer DeBolt addressed the appeal of Eva Price on whether or not the Applicant is entitled to purchase the twenty-five percent of TDC service credit. It is recommended that the request of Eva Price to purchase the remaining twenty-five percent of her TDC service credit be denied.

Ms. Evans made a motion to accept the Hearing Officer's recommendation and deny the appeal of Eva Price. The motion was seconded by Mr. Fletcher. The motion carried unanimously. The Recommended Decisions are located behind Tab #5.

Ms. Stout made a motion for the Board to authorize the Acting Executive Director to

engage the services of a firm and/or individuals to deal with IT matters. The motion was seconded by Mr. Parsons. The motion carried unanimously.

Tab #6: Work in Progress Reports from Legal Counsel

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

In-House Legal Counsel Jeaneen Legato provided a written report to the Board on all pending legal matters.

Ms. Legato reported oral argument was heard on the matter of James Valentine, a Trooper disability appeal, on March 3, 2011. Proposed Orders were submitted on April 1, 2011. The matter remains pending.

Ms. Legato reported Judge Stucky affirmed the Board's Final Order on Gary Lanham, a PERS co-op service case. On April 1, 2011, Mr. Jim Lees, counsel for Mr. Lanham, filed a motion for leave to perfect an appeal in that he had missed the thirty days notice. The motion is pending.

Ms. Legato reviewed with the Board the case of Jack Jordan, a Circuit Court case which on March 16, 2011 Judge Stucky entered an order reversing the Board's Final Order and also issued a Writ of Mandamus to permit Mr. Jordan to be a participating member of PERS. A copy of the Courts Order is attached to this report behind Tab B. On April 6, 2011 the opposing counsel filed a petition for attorney fees with the Circuit Court. We intend to file a response by Friday, April 15, 2011 or no later than Monday, April 18, 2011 with respect to the petition for the attorney fees. Notice of an intent to appeal in this case would need to be filed by Friday, April 15, 2011.

Chairman Wyant asked the Board if they wanted to take any action regarding the Jack Jordan case and none was heard.

Ms. Legato reported on the case of Timothy McCormick, a PERS retroactive service case, and stated Judge Recht has scheduled a second oral argument for May 20, 2011 at 10:30 a.m.

Ms. Legato reported on the Hicks v. Mani/Col. Pack case where the petitioners requested an injunction to stop the Board from performing the State Police Medical Re-certifications on Plan A & Plan B. On March 30, 2011, Judge Stucky entered an order dismissing the request for injunctive relief.

Ms. Legato reported on the Carolyn Crookshanks PERS Less than Honorable Service case. Judge Webster on March 1, 2011 affirmed the Board's determination that she had rendered Less than Honorable Service. Her counsel has informed us they do not wish to appeal.

Ms. Legato reported on Jack Feltner, a former Fayette County Deputy Sheriff, has requested a judicial determination on his Less than Honorable Service. A hearing will be held before Judge Bloom on April 22, 2011 at 11:00 a.m.

Ms. Legato reported that Carolyn Kitchen, a former Lottery employee, has requested a judicial determination on her Less than Honorable Service. Her case has been assigned to Judge King.

Ms. Legato informed the Board the Trooper civil litigation regarding the four cadet classes be moved into Plan A is over unless an appeal is filed. Our counsel from BRIM informed us that on April 6, 2011 the court dismissed the case with prejudice.

Ms. Legato reviewed with the Board the possible Less than Honorable Service case of Brad Nieman, a former Brooke County Middle School Teacher who was convicted of 10 felony counts of sexual assault in the third-degree involving sexual relations with a 15 year old former female student. Mr. Nieman met her while she was a student in his class the year before. Ms. Legato recommended to the Board that he be disqualified for Less than Honorable Service.

Captain Corsaro made a motion that Board Counsel proceed with the Less than Honorable Service case against Brad Nieman. The motion was seconded by Mr. Murray and the motion carried unanimously. 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 and U.S. Bankruptcy Courts. The written report of the Outside Legal Counsel is behind Tab #6.

Tab #7: Committee Updates

Accounting and Investment Committee:

Mr. Fletcher reviewed with the Board the Minutes for the February 24, 2011 Accounting and Investment (A&I) Committee Meeting. Mr. Fletcher reported to the Board there was concern with the July 1, 2011 date approved at the last Board meeting for the TDC investment changes. The proposed date to now convert the TDC Investment changes is June 23, 2011.

Mr. Fletcher made a motion to move the implementation date of the new TDC investment options from July 1, 2011 to June 23, 2011. Ms. Stout seconded the motion. Mr. Morton from Great West informed the Board if the fund change would take place on June 23, 2011, then everyone would see that fund change on their June 30, 2011 statement. The motion carried unanimously. The report of the A & I Committee is behind Tab #7.

Executive Director Search Committee:

Chairman Wyant reported to the Board the Executive Director Search Committee met on

January 19, 2011, recessed and met again by phone on February 4, 2011. It was announced the Search Committee will meet again immediately following today's Board meeting. The report of the Executive Director Search Committee is behind Tab #7.

Internal Audit Committee:

Acting Executive Director Miller reviewed with the Board the Internal Audit Committee meeting of April 12, 2011. Audit Objectives have been drafted to be provided to the Auditor's office so they may assist us with determining eligibility to participate in our retirement plans. There have been numerous cases recently where people have been contributing to the retirement systems when they were not eligible to do so. Also discussed at the meeting was the proposed 2011 – 2012 Internal Audit Plan.

Mr. Fletcher made a motion to adopt the 2011 – 2012 Internal Audit Plan. Mr. Murray seconded the motion. The motion carried unanimously. The report of the Internal Audit Committee is behind Tab #7.

Tab #8: DSRS Employer Contribution Rate

Acting Executive Director Miller discussed with the Board House Bill 2766 which related to the DSRS employer contribution rate change that passed during the 2011 Legislative Session. A copy of the letter sent to all county Sheriff's and a copy of the actuarial/fiscal note to House Bill 2766 are provided behind Tab #8.

Mr. Harry Mandel, Board Actuary, discussed the contribution rate for DSRS with the Board. Mr. Mandel made a recommendation that the employer contribution rate be increased by 2.5% of payroll effective July 1, 2011. This is an increase from 10.5% to 13.0% of payroll.

Mr. Murray made a motion to increase the employer contribution rate of the Deputy Sheriff's Retirement System to 13.0% of gross payroll effective July 1, 2011. Ms. Lipscomb seconded the motion. There was discussion on the motion.

Chairman Wyant informed the Board that we had received a letter from Mr. Kent Carper of the Kanawha County Commission requesting to speak before the Board. Mr. Carper has sent a representative to address the Board regarding the DSRS contribution increase. Mr. Carper's representative, Dave Fontalbert, Kanawha County Commission CFO, spoke to the Board in opposition to the increase of the DSRS contribution rate.

Chairman Wyant introduced Mr. Dave Gentry who is the Vice President of the West Virginia Deputy Sheriff's Association who also had asked to address the Board. Mr. Gentry spoke on behalf of the Deputy Sheriff's Association in support of the Retirement Board taking whatever

action that is necessary to keep the DSRS Plan fiscally sound and solvent.

Chairman Wyant then asked for a vote on the motion to increase the employer contribution rate and the motion carried unanimously. The report of the DSRS Employer Contribution Rate is behind Tab #8.

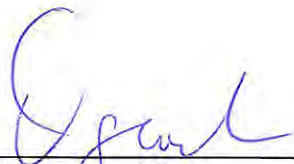
Tab #9: Other, Old Business

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

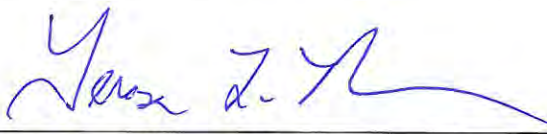
Tab #10: Other, New Business

Chairman Wyant asked for new business and none was heard.

Chairman Wyant adjourned the public meeting of the West Virginia Consolidated Public Retirement Board at 1:55 p.m.



David Wyant, Chairman
Consolidated Public Retirement Board



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