

**MINUTES OF THE
WV CONSOLIDATED PUBLIC RETIREMENT BOARD
BOARD OF TRUSTEES MEETING
MEETING OF JANUARY 18, 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 10:00 a.m. by Chairman David Wyant.

Roll Call was taken and trustees present were:

David Wyant, Esquire, Chairman
Jeffrey Shawver, Esquire, *representing Governor Earl Ray Tomblin*
Cabinet Secretary Robert Ferguson
Captain Michael Corsaro
Drema Evans
David Fletcher
Todd Murray
Sergeant Tony Payne
Andrew Richardson, Esquire

Trustees not present:

Mack Parsons, *representing Auditor Glen Gainer*
Diana Stout, *representing Treasurer John Perdue*
Thomas Bradley
Joseph Bunn, Esquire
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
Kris Morton, Great West Regional Manager
Andrew Wyne, Great West Outreach Officer
Craig Slaughter, Executive Director WVIMB
Cindy Boyd, CPRB Project Manager
Barbara Haddad, CPRB IT Manager
Eric Stringer, CPRB IT Specialist
Harry Mandel, CPRB Board Actuary
Melody Bailey, CPRB Actuarial Analyst
Lisa Trump, CPRB PERS Manager
Caroline Brady, CPRB PERS Assistant Manager
Brittany Smith, CPRB TRS Staff
Darden Greene, CPRB Chief Financial Officer

Deana Gose, CPRB Uniform Services Manager
Torrie Williams, CPRB PERS Staff
Alysia Miller, CPRB Paralegal
David Driscoll, Buck Consultants
Doal Parr, Deloitte & Touche Consulting, LLP
Mary Peal, WVFA
Dave Fontalbert, KCC
Carrie Clendenin, KCC
Vivian Parsons, CCAWV

Tab #1: Approval of the December 14, 2011 Meeting Minutes

Mr. Shawver made a motion to approve the December 14, 2011 minutes of the CPRB. The motion was seconded by Captain Corsaro. 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 December 2011 Teachers' Retirement System (TRS) and Public Employees Retirement System (PERS) retirement numbers and estimates for the CPRB.
2. Director Fleck informed the Board we have a new employee in our Public Employees Retirement System (PERS) section – Belinda Saunders.
3. Director Fleck reported to the Board on the West Virginia State Police Disability Experience 2011 Annual Report.
4. Director Fleck informed the Board that Board member Todd Murray attended the Public Funds Board Forum conference in New Orleans, December 10th through December 14, 2011.
5. Director Fleck reported to the Board he has interviewed for the Chief Compliance Officer position; he announced he had interviewed 5 candidates and has narrowed those down to 3.
6. Director Fleck reported to the Board on the TDC Educational Meetings for February and March 2012 that will be held throughout the state.
7. Director Fleck reviewed with the Board the TDC Reality Investing Statistics as of December 31, 2011.
8. Director Fleck informed the Board a Change Letter went out to all retirees, regarding the Federal Tax Table.

9. Director Fleck reported to the Board on the Computer Project; he announced that the Purchasing Division has concerns with our mandatory requirements.

Diana Stout, representing Treasurer John Perdue arrived at 10:05 a.m.

Chairman Wyant asked Mr. Fletcher, Chairman of the Computer Update Committee to hold a Committee meeting and report back to the Board at the next Board meeting on his findings.

Secretary Ferguson and Diana Stout discussed questions regarding the mandatory requirements of Purchasing.

Mack Parsons, representing Auditor Glen Gainer arrived at 10:06 a.m.

10. Executive Director Fleck reviewed with the Board the CPRB December 2011 Financials. He announced that currently we are at 27.23% of budget.
11. Executive Director Fleck announced to the Board that the 2012 Legislature went into Session on January 11, 2012 and will last through March 10, 2012. He reviewed the legislation that the CPRB is tracking with the Board. 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 as of November 30, 2011.

Kris Morton of Great West commented on the TDC Investments. The WVIMB investment return report is behind Tab #3.

Chairman Wyant moved the agenda to Tab #7: Valuations with David Driscoll from Buck Consultants to be next on the Agenda.

Tab #7: Valuations – Buck Consultants, David Driscoll

Mr. Driscoll reviewed the CPRB's Actuarial Valuations as of July 1 2011. He reviewed the following Plans with the Board:

PERS

- The unfunded liability is down
- Membership was up modestly
- Actuarial Accrued Liability was up modestly
- The funded status is 78.4%
- Interest Assumption is at 7.5%

TRS

- The unfunded liability is down
- Membership is up modestly
- Actuarial Accrued Liability was up
- The funded status is 53.7%
- Interest Assumption is at 7.5%

State Police Plan A

- The number of retired out-numbered the number of active members
- The unfunded liability declined
- Actuarial Accrued Liability was up
- The funded status is 79.5%
- Interest Assumption is at 7.5%

State Police Plan B

- Membership is up
- The unfunded liability is down
- Actuarial Accrued Liability was up
- The funded status is 89.5%
- Interest Assumption is at 7.5%

Judges

- Membership was down by 1%
- The unfunded liability has a surplus
- Actuarial Accrued Liability is down

- The funded status is 130.3%
- Interest Assumption is at 7.5%

Mr. Richardson made a motion to accept the Actuarial Valuations by Buck Consultants. The motion was seconded by Mr. Fletcher and the motion carried unanimously.

Chairman Wyant announced next on the agenda we will address Tab #8: Recommended Contribution Rates with Harry Mandel, Board Actuary.

Tab #8: Recommended Contribution Rates – Harry Mandel

Mr. Mandel reviewed the Contribution Rates for PERS and State Police Plan B with the Board.

Mr. Mandel recommended the Board accept the recommendation of the Board Actuary and decrease the PERS employer contribution rate from 14.5% of payroll to 14.0% effective July 1, 2012.

Mr. Richardson made a motion the Board accept the recommendation of the Board Actuary and decrease the PERS employer contribution rate from 14.5% of payroll to 14.0% effective July 1, 2012. The motion was seconded by Ms. Evans. There was discussion on the motion and the motion carried unanimously.

Mr. Fletcher recognized those who attended the Board meeting from the Kanawha County Commission.

Mr. Mandel recommended that the Board accept the recommendation of the Board Actuary and decrease the State Police Plan B employer contribution rate from 17.5% of payroll to 15.5% effective July 1, 2012.

Mr. Richardson made a motion the Board accept the recommendation of the Board Actuary and decrease the State Police Plan B employer contribution rate from 17.5% of payroll to 15.5% effective July 1, 2012. The motion was seconded by Captain Corsaro. There was discussion on the motion and the motion carried unanimously.

Chairman Wyant announced we will now address Tab #9 on the agenda; Actuarial Factors

for Plan Administration by Harry Mandel, Board Actuary.

Tab #9: Actuarial Factors for Plan Administration – Harry Mandel

Mr. Mandel reviewed the actuarial factors with the Board and recommends that the Board approve the extension of the 2011 Actuarial Assumptions for daily administration to 2012 without modification for the eight defined benefit plans as detailed:

- a. Public Employees Retirement System under Code Section 5-10-13.
- b. Teachers Retirement System under Code Section 18-7A-11.
- c. Department of Public Safety Death, Disability and Retirement Fund under Code Section 15-2-28.
- d. State Police Retirement System under Code Section 15-2A-4a.
- e. Judges' Retirement System under Code Section 51-9-3a.
- f. Deputy Sheriff Retirement System under Code Section 7-14D-3.
- g. Emergency Medical Services Retirement System under Code Section 16-5V-4.
- h. The Municipal Police Officers and Firefighters Retirement System delayed adoption until January 2013.

The Board Actuary respectfully requested the Board to adopt the recommendations as stated.

Mr. Richardson made a motion the Board adopt the extension of the 2011 Actuarial Assumptions for daily administration to 2012 without modification for the eight defined benefit plans. The motion was seconded by Mr. Fletcher. The motion carried unanimously.

Chairman Wyant announced we will now move back to Tab #4: Consideration of Current Disability Applications.

Tab #4: Consideration of Current Disability Retirement Applications

Ms. Evans reported the Disability Committee met on January 17, 2012 and makes the following recommendations to the full Board:

System	Approved	Denied	Total
PERS	7	2	9
TDC	2	0	2

TRS	3	0	3
TDC/TRS Transfers	6	0	6
TOTAL	18	2	20

Captain Corsaro 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.

Ms. Evans on behalf of the Disability Committee recommended a 1 year re-exam for Patricia Smith in the TRS Retirement System.

Mr. Richardson made a motion to approve the 1 year re-exam of Patricia Smith, TRS retirant. The motion was seconded by Captain Corsaro and the motion carried unanimously.

Ms Evans announced that she would like to make a motion on behalf of the Disability Committee that the Board approve the State Police Plan A and Plan B Annual Disability Re-certification Process as set forth in the Board book located behind Tab 4. Mr. Fletcher seconded the motion and the motion carried unanimously. The disability list is behind Tab #4.

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

Mr. Shawver made a motion the Board go into Executive Session to discuss medical issues, Less Than Honorable Service (LTHS) and a legal matter; and Secretary Ferguson added a personal issue as allowed by West Virginia Code §6-9A-4. The motion was seconded by Mr. Fletcher. The motion carried unanimously. The Board went into Executive Session at 11:18 a.m.

The Chairman reconvened the Public Session of the January 18, 2012 meeting of the Consolidated Public Retirement Board from Executive Session at 12:20 p.m. Chairman Wyant stated the Board was in Executive Session to discuss medical issues, Less Than Honorable Service (LTHS), a legal matter and a personal issue. He announced there were no decisions made during Executive Session. The Board will return to Tab #5, Appeals from the Hearing Officer, Jack DeBolt.

Hearing Officer DeBolt addressed the appeal of Darrin H. Campbell on whether or not the

Applicant 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 that the previous action of this Board to reduce the Applicant's disability annuity from State Police Plan A from duty-related total disability to duty-related partial disability be sustained and that this appeal be denied.

Mr. Fletcher made a motion to accept the recommendation of the Hearing Officer and deny the request of Darrin H. Campbell. The motion was seconded by Ms. Evans and the motion carried unanimously.

Hearing Officer DeBolt addressed the appeal of Chilcoat, Patterson and Saville on whether or not the Applicants are entitled to participate in either TRS or TDC during the periods relevant to each. It is recommended the requests of Kathy C. Chilcoat and Judy A. Patterson to retain TRS Participation while employed in temporary positions during the periods in question be denied. It is further recommended that the request of Carl T. Saville to retain TDC participation while employed a substitute during the period in question be denied.

Mr. Murray made a motion to accept the recommendation of the Hearing Officer and deny the appeals of Kathy C. Chilcoat, Judy A. Patterson and Carl T. Saville. The motion was seconded by Captain Corsaro and the motion carried unanimously.

Hearing Officer DeBolt addressed the appeal of Ronald L. Hamilton on whether or not the Applicant is entitled to continue participation in the Teachers Retirement System upon his moving from one State employment to another. It is recommended that the request of Ronald L. Hamilton to continue participation in the Teachers Retirement System be approved. It is further recommended that it be required that retirement system contributions, both employer and employee, be paid to reflect his service beginning August 30, 2011.

Ms. Evans made a motion the Board accept the recommendation of the Hearing Officer and approve the appeal of Ronald L. Hamilton. The motion was seconded by Mr. Fletcher and the motion carried unanimously.

Hearing Officer DeBolt addressed the appeal of Monica L. Hunter on whether or not members of TRS can be properly required to submit a favorable report from a medical doctor or

doctor of osteopathy in support of an application for disability retirement as a prerequisite for the application being fully considered. It is recommended that the request of Monica L. Hunter be processed to a full determination without the necessity of a favorable opinion from a physician of her selection.

Mr. Fletcher made a motion the Board accept the recommendation of the Hearing Officer and Monica L Hunter's application be processed to a full determination without the necessity of a favorable opinion from a physician of her selection. The motion was seconded by Mr. Parsons. There was discussion on the motion and the motion carried unanimously.

Hearing Officer DeBolt addressed the appeal of Carl O. Thompson on whether or not the Applicant is entitled to service credit for co-op employment in 1968. It is recommended that the request of Carl O. Thompson to retain service credit for four month's co-op employment be denied and that he be required to re-pay this Board the overpayment on his annuity less the erroneously withheld retirement system contributions.

Captain Corsaro made a motion to accept the recommendation of the Hearing Officer and deny the request of Carl O. Thompson to retain service credit for four month's co-op employment, and that he re-pay this Board the overpayment on his annuity less the erroneously withheld retirement system contributions. The motion was seconded by Mr. Fletcher and the motion carried unanimously. The Appeals are located 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 16 new Administrative Cases, Circuit Court, Supreme Court and LTHS cases.

Ms. Legato reported on the LTHS case of Christine Rene Wilson for disqualification. Ms. Wilson is from Wirt County; she is a TRS member. It is recommended by Legal Counsel to file a petition to disqualify Christine Wilson for Less Than Honorable Service.

Mr. Fletcher made a motion for General Counsel to file a petition to disqualify Christine Wilson for Less Than Honorable Service. The motion was seconded by Captain Corsaro. The motion carried unanimously.

Ms. Legato requested the Board approve the BRIM Settlement check in the amount of \$230,594.16 in the Brumbaugh Stephens case.

Mr. Fletcher made a motion the Board accept the Settlement check from BRIM in the amount of \$230,594.16. The motion was seconded by Mr. Richardson 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, U.S. Bankruptcy Courts and Administrative and QDRO matters. The report of the Outside Legal Counsel is behind Tab #6.

Ms. Chambers reported on the case of Ronald McKown who appealed the Board's March 2, 2012 Final Order denying his request for military service credit in TRS; the Court ruled against the Board and overturned the Board's Administrative Decision and issued a Writ of Mandamus against the Board.

She announced if the Board would want to appeal Judge Zakaib's Order, she will need to file a Notice of Appeal to the Supreme Court by February 6, 2012.

Chairman Wyant announced the Board discussed this legal issue in Executive Session and asked the Board what their position was in regard to Judge Zakaib's Order.

Captain Corsaro made a motion the Board allow Counsel to proceed with the appeal. Mr. Parsons seconded the motion and the motion carried unanimously. The report of the Outside Counsel is behind Tab #6.

Executive Director Fleck reviewed with the Board the status reports from BRIM Counsel regarding MacCorkle, Lavender & Sweeney on the case of Dawn Colette Bland v. State of West Virginia; and from Pullin, Fowler, Flanagan, Brown & Poe on the case of Cheryl Dougherty v. Ramona Cerra, et al. The BRIM reports are located behind Tab# 6

Tab #10: Other, Old Business

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

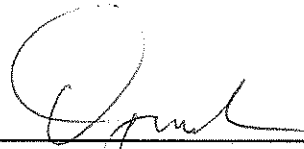
Tab #11: Other, New Business

Chairman Wyant asked if there was any new business to bring before the Board.

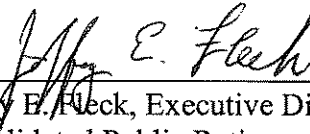
Ms. Evans announced she would like to make a motion to have CPRB staff be authorized to introduce legislation to harmonize the disability requirement between TRS and PERS by requiring a Board certified doctor's opinion for TRS as it is in PERS. Mr. Richardson seconded the motion and the motion carried unanimously.

Chairman Wyant asked if there was any other new business to bring before the Board and none was heard. Chairman Wyant then announced the next Board Meeting will be Wednesday, February 29, 2012.

Chairman Wyant adjourned the January 18, 2012 public meeting of the West Virginia Consolidated Public Retirement Board at 12:49 p.m.



David Wyant, Chairman
Consolidated Public Retirement Board



Jeffrey E. Fleck, Executive Director
Consolidated Public Retirement Board