

**MINUTES OF THE
WV CONSOLIDATED PUBLIC RETIREMENT BOARD
BOARD OF TRUSTEES MEETING
MEETING OF FEBRUARY 29, 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 10:01 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*
Acting Cabinet Secretary Ross Taylor
Thomas Bradley
Joseph Bunn, Esquire
Drema Evans
David Fletcher
Joe Lynch
Todd Murray
Andrew Richardson, Esquire

Trustees not present:

Mack Parsons, *representing Auditor Glen Gainer*
Diana Stout, *representing Treasurer John Perdue*
Captain Michael Corsaro
Sergeant Tony Payne

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
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
Annamarie Short, CPRB Internal Auditor
Tracy Batman, CPRB Accounting Staff
Torrrie Williams, CPRB PERS Staff
Lonnie Simmons, Esquire for Hubbard & Walkup Appeal

Tab #1: Approval of the January 18, 2012 Meeting Minutes

Mr. Richardson made a motion to approve the January 18, 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

Chairman Wyant welcomed Acting Cabinet Secretary Ross Taylor of the Department of Administration to the Board. Mr. Taylor is replacing Robert Ferguson who resigned.

Chairman Wyant announced to the Board that he would like to publicly and personally thank Rob Ferguson for his untiring efforts and positive impact as a Board Member.

Chairman Wyant informed the Board that there was a letter in the Board Books behind Tab #2 from County Commissioner Kent Carper thanking the Board on behalf of the County Commissioners and the taxpayers of Kanawha County for taking the fiscally responsible action in reducing the PERS employer contribution rate to 14 percent.

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

1. Director Fleck reviewed with the Board the January 2012 Teachers' Retirement System (TRS) and Public Employees Retirement System (PERS) retirement numbers and estimates for the CPRB.
2. Director Fleck gave the Board an update on the vacant Compliance Officer position; he announced he has hired Mr. Steve Stockton who is an attorney and brings with him experience with the Attorney General's office and the IRS. Mr. Stockton will be starting employment at the CPRB on March 1, 2012.
3. Director Fleck reported to the Board the CPRB has hired another new employee; Mr. Jamie Brisendine. He announced that Jamie will be working in our Imaging Department.
4. Director Fleck reviewed with the Board the CPRB Goals for 2012.

5. Director Fleck reported back to the Board on the actuarial valuations where the Board had asked the Director if the timeline could be moved up on reporting the information of the valuations earlier than January of each year. Director Fleck reported there are many requirements that must be met before the valuations are reported; all of the information must be accurate; all information must be reconciled, and then reported to Buck Consultants for their review before being released.

Mr. Richardson asked if the CPRB could release the information to the people before the Board meets to vote on it.

Director Fleck said he would look into seeing if maybe the employers could submit their information to the CPRB staff earlier so we could expedite the release of the information, and will report back to the Board with that information.

6. Director Fleck reported to the Board on the TDC Educational Meetings that were held in January and February 2012 throughout the state by Great West.
7. Director Fleck reviewed with the Board on the TDC Annual Strategic Partnership Plan.
8. Director Fleck reviewed with the Board on the TDC Reality Investing Statistics as of February 1, 2012. He reported that the total assets are at \$303,723,247.
9. Director Fleck reported to the Board the PERS contribution letters went out on February 8, 2012 to all PERS employers informing them of the decrease in the contribution rates from 14.5% to 14.0% effective July 1, 2012 as set by the Board at the January 2012 Board Meeting.
10. Director Fleck informed the Board the State Police Plan B contribution letters went out on January 30, 2012 to all Plan B employers informing them of the decrease in the contribution rates from 17.5% to 15.5% effective July 1, 2012 as set by the Board at the January 2012 Board Meeting.
11. Executive Director Fleck reviewed with the Board the CPRB January 2012 Financials. He announced that currently we are at 31.46% of budget.
12. Executive Director Fleck informed the Board that a spreadsheet of all of the 2012 pending legislation; both House and Senate Bills that would affect pensions, if passed, is attached and located behind Tab #2 for their review.
13. Executive Director Fleck informed the Board that Senate Bill 150 did not pass through Senate Pensions. This bill would have capped increases of employer contributions at 2% annually. 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 months of December 31, 2011 through January 31, 2012.

Mack Parsons, representing Auditor Glen Gainer arrived at 10:16 a.m.

Kris Morton of Great West reviewed the Defined Contribution Plan Fund Performance Review for December 31, 2011 and the TDC Market Perspective with the Board. He reported to the Board that all of the Funds are meeting their bench marks. The WVIMB investment return report is behind Tab #3.

Tab #4: Consideration of Current Disability Retirement Applications

Ms. Evans reported that the Disability Committee met on February 28, 2012 and makes the following recommendations to the full Board:

System	Approved	Denied	Total
EMSRS	0	1	1
PERS	16	2	18
TDC	0	0	0
TRS	5	0	5
TDC/TRS Transfers	7	0	7
TOTAL	28	3	31

Mr. Lynch made a motion the Board accept the Disability Committee's recommendations concerning the disability retirement applications. The motion was seconded by Mr. Bunn. The motion carried unanimously. The disability list is behind Tab #4.

Tab #5: Consideration of Appeals to Hearing Officers - Jack DeBolt & Anne Charnock

Hearing Officer Charnock addressed the appeal of Michael Morrison on whether the Board was correct to deny Applicant's request to reinstate withdrawn service from PERS into EMSRS. It is recommended that the Applicant's appeal should be denied and the decision of the staff to not allow the purchase of prior service be affirmed.

Mr. Richardson made a motion to accept the recommendation of the Hearing Officer and deny the request of Michael Morrison. The motion was seconded by Ms. Evans and the motion carried unanimously.

Hearing Officer DeBolt addressed the appeal of Richard L. Clark to determine the appropriate on-set date for the increase in annuity benefits occasioned by the change in the Applicant's disability status. It is recommended that the request of Richard L. Clark for an on-set date for his total duty-related disability benefits earlier than April 14, 2011 be denied.

Mr. Fletcher made a motion to accept the recommendation of the Hearing Officer and deny the appeal of Richard L. Clark. The motion was seconded by Mr. Parsons and the motion carried unanimously.

Hearing Officer DeBolt addressed the appeal of Archie E. Hubbard on whether or not the matter is precluded from consideration by principles of res judicata and whether or not the Applicant is entitled to convert his PERS disability benefits to EMSRS disability benefits by now electing membership in EMSRS. It is recommended that Archie E. Hubbard be permitted to become a member of EMSRS and to convert his PERS disability benefits to EMSRS benefits conditioned upon a determination that he would have been eligible for disability under §16-5V-19 had that section been in effect at the time of his disability.

Mr. Richardson made a motion the Board accept the recommendation of the Hearing Officer and approve the appeal of Archie E. Hubbard subject to the approval under the EMSRS Statute for Disability. The motion was seconded by Mr. Murray. There was discussion on the motion and the motion carried, with Mr. Lynch voted against.

Hearing Officer DeBolt addressed the appeal of Ollie D. Hunting on whether or not a member of the Teachers Retirement System is entitled to have included in the calculation of final average salary as of the date of payment of a lump-sum for past services when the lump sum

cannot be allocated to the year in which earned. It is recommended the request of Ollie D. Hunting to include a 2009 \$54,352 lump-sum payment in his final average salary, and this appeal, be denied.

Mr. Fletcher made a motion the Board accept the recommendation of the Hearing Officer and Ollie D. Hunting's appeal be denied. The motion was seconded by Ms. Evans and the motion carried unanimously.

Hearing Officer DeBolt addressed the appeal of William E. Walkup on whether or not the Applicant is entitled to military service credit in PERS under the provisions of §5-10-15 of the West Virginia Code. It is recommended that the request of William E. Walkup for military service credit in the Public Employees Retirement System be denied.

Ms. Evans made a motion to accept the recommendation of the Hearing Officer and deny the request of William E. Walkup for military service credit in the Public Employees Retirement System. The motion was seconded by Mr. Lynch and the motion carried unanimously. The Appeals are located behind Tab # 5.

Tab #6: Work in Progress Reports from Legal Counsel

Mr. Shawver made a motion the Board go into Executive Session to discuss a Less Than Honorable Service case (LTHS) and a Commercial Competition 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 10:38 a.m.

The Chairman reconvened the Public Session of the February 29, 2012 meeting of the Consolidated Public Retirement Board from Executive Session at 11:02 a.m. Chairman Wyant stated the Board was in Executive Session to discuss a Less Than Honorable Service case (LTHS) and a Commercial Competition issue 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 #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 LTHS cases.

Ms. Legato reported on the LTHS case of Marli J. Jenkins. Ms. Jenkins is from Taylor County; she was convicted of embezzlement, falsifying accounts and fraudulent use of an access device. She owes restitution in the amount of \$316,068.10. It is recommended by Legal Counsel to file a petition to disqualify Marli J. Jenkins for Less Than Honorable Service.

Mr. Richardson made a motion for Legal Counsel to file a petition to disqualify Marli J. Jenkins for Less Than Honorable Service. The motion was seconded by Mr. Bunn 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.

Ms. Chambers reported to the Board on the on-going Green Acres case, whereas the Board seeks to collect unpaid and delinquent employer contributions owed to the CPRB by Green Acres.

Mr. Fletcher asked Ms. Chambers how to address employers who do not timely pay their contribution to the Board and what to instruct staff to do. Ms. Chambers responded that staff sends out letters informing the employers of the delinquent fees. In-House Counsel Jeaneen Legato stated legislation could be submitted. Chairman Wyant informed Mr. Fletcher and the Board that delinquency fees procedures are in place and the Board could consider submitting proposed legislation to further address this matter. Executive Director Fleck informed the Board he could start including a delinquency report in his director report for the Board.

Mr. Fletcher made a motion for Executive Director Fleck, Deputy Director Miller and In-House Counsel Legato to submit proposed legislation regarding delinquent employer contributions to the Board for approval for the next legislative session. The motion was seconded by Mr. Bradley. There was discussion on 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 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

Chairman Fletcher reviewed the December 14, 2011 minutes of the A&I Committee Meeting with the Board. Chairman Fletcher announced the Computer Systems Update Committee met on February 17, 2012. The minutes of that meeting will be in your Board books at the April Board meeting.

Chairman Fletcher then reviewed the November 4, 2011 minutes of the Computer Systems Update Committee with the Board. Mr. Fletcher made a motion to instruct Executive Director Fleck to forward the information that was discussed in executive session today to the Purchasing Director regarding the Commercial Competition issue. The motion was seconded by Mr. Parsons and the motion carried unanimously. The Committee Updates are located behind Tab# 7.

Tab #8: Other, Old Business

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

Tab #9: Other, New Business

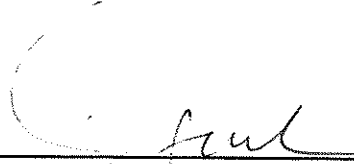
Chairman Wyant announced there is a PERS Military Service Credit Petition before the Board for Mr. Edward Coster. Executive Director Fleck explained the Petition to the Board; he announced that according to West Virginia Code §5-10-15 (a)(7) "The Board may consider a petition by any member whose tour of duty, in a territory that would reasonably be considered hostile and dangerous, was extended beyond the period in which an armed conflict was officially recognized." Mr. Coster is requesting additional Military Service Credit for three months' from April of 1991 through June of 1991.

Mr. Fletcher made a motion the Board approve the PERS Military Service Credit Petition for Edward Coster. Mr. Lynch seconded the motion. There was discussion on the motion and the motion carried unanimously.

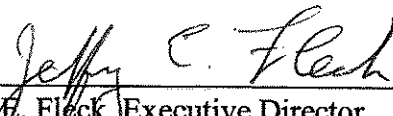
Chairman Wyant announced he was appointing Acting Cabinet Secretary Ross Taylor to the Computer Systems Update Committee.

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

Chairman Wyant adjourned the February 29, 2012 public meeting of the West Virginia Consolidated Public Retirement Board at 11:27 a.m.



David Wyant, Chairman
Consolidated Public Retirement Board



Jeffrey E. Fleck, Executive Director
Consolidated Public Retirement Board