

**MINUTES OF THE
WV CONSOLIDATED PUBLIC RETIREMENT BOARD
BOARD OF TRUSTEES MEETING
MEETING OF MARCH 2, 2016**

A meeting of the West Virginia Consolidated Public Retirement Board (CPRB) Board of Trustees was held in the CPRB Conference Room at 4101 MacCorkle Avenue, SE, Charleston, West Virginia 25304, and was called to order at 10:08 a.m. by Chairman David Wyant.

Roll Call was taken.

Trustees present were:

David Wyant, Esquire, Chairman
Brittany Vascik, representing Governor *Earl Ray Tomblin*
Jeff Waybright, representing Auditor *Glen Gainer III*
Diana Stout, Esquire, representing Treasurer *John Perdue*
Acting Cabinet Secretary Mary Jane Pickens
Andy Bird
Joseph Bunn, Esquire
Captain Michael Corsaro
Angela Crank
Michael Haney
Joe Lynch
Mike McKown
D. Todd Murray
Jeffrey Vallet

Trustees not present:

David Stover

A quorum was present.

Due notice had been posted.

Also in attendance were:

Jeffrey E. Fleck, CPRB Executive Director
Terasa Miller, CPRB Deputy Director
Candi Kinslow, CPRB Executive Assistant
Jeaneen Legato, Esquire, CPRB General Counsel
Lenna Chambers, Esquire, Bowles Rice
Jack DeBolt, CPRB Hearing Officer
Anne Charnock, CPRB Hearing Officer
John Beane, CPRB IT Manager
Darden Greene, CPRB Chief Financial Officer
Harry Mandel, CPRB Board Actuary

Annamarie Short, CPRB Chief Compliance Officer
Tina Baker, CPRB Internal Auditor
Heather Drake, CPRB Administrative Assistant
Alysia Miller, CPRB Paralegal
Eric Stringer, CPRB IT Staff
Caroline Brady, CPRB PERS Assistant Manager
Melody Bailey, CPRB Actuary Assistant
Craig Slaughter, WVIMB, Executive Director
Andrew Wyne, Empower Retirement
Michael Burroughs, AAG/Great West
Tom Zacharias, Deloitte Consultants

Tab 1: Approval of the January 20, 2016 Meeting Minutes

Mr. Bunn made a motion to approve the minutes of the January 20, 2016 meeting 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

Chairman Wyant announced to the Board that the Governor has made new appointments and reappointments to the Board: Captain Michael Corsaro and David Stover have been reappointed to the Board and thanked them for their service to this Board.

New appointments are Michael Haney who has been appointed to replace Tony Payne and Mike McKown who replaces Andy Richardson. Chairman Wyant welcomed them to the Board.

Chairman Wyant announced he was appointing Michael Haney to the Disability Committee; Mike McKown to the Actuarial Assumptions Review Committee and Joe Bunn to the Executive Director and Actuary Review Committee.

Chairman Wyant announced he would like to thank Andy Richardson publicly for all of his significant service to this Board.

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

Executive Director Fleck announced to the Board Members that we received a farewell letter from Andy Richardson and he asked that it be forwarded to each of you. Ms. Kinslow will email it to all of you today after the Board Meeting.

1. Executive Director Fleck reported on the January 2016 Teachers' Retirement System (TRS) and Public Employees Retirement System (PERS) retirement and estimate numbers. He reported for January there were 122 TRS Estimates and 94 Retirements and in PERS there were 185 Estimates and 203 Retirements.
2. Executive Director Fleck announced that our new COMPASS Computer System was highlighted in the February 2016 issue of the Quotes, Notes & Anecdotes.
3. Executive Director Fleck reported on the Teachers' Defined Contribution (TDC) 2016 Educational Meetings. He announced there have been a total of 16 meetings so far this year, with 164 in attendance. He reported on the TDC Reality Investing statistics. He announced that TDC has a total of 4,569 participants and \$388,712,740 in total assets.
4. Executive Director Fleck reported on all of the Delinquent Employers with the Board.
5. Executive Director Fleck provided the Board an update of the COMPASS project. He announced the COMPASS project is now 76% complete of the overall project status. He announced there are currently over 60,000 retirees that are now being paid by the COMPASS Computer System. There are 61,739 retirees that were paid out of the COMPASS System out of those, 58,320 were direct deposits and we still have approximately 3,400 who are still receiving paper checks. The retirees will also soon be able to see their check stubs and 1099's through our "Retiree Self-Service" option in COMPASS next month. He announced that our Phase 4b of the system will affect the active employees and employers next year.
6. Executive Director Fleck announced that he will have a matter regarding the COMPASS System for Executive Session.
7. Executive Director Fleck reviewed the CPRB's Fiscal Year 2015 Plan Statistics Sheet with the Board.
8. Executive Director Fleck reviewed the January and February, 2016 financials with the Board. He announced that as of February 29, 2016, we are at 59.84% of budget.
9. Executive Director Fleck reviewed the new retiree state tax withholding changes with the Board.
10. Executive Director Fleck reported on the Legislative Update. He announced that House Bill 4487 is the clean-up bill from last year and it is currently in Senate

Pensions. He announced that the CPRB's rules have been bundled with all of the other agency's rules and are moving through both houses.

11. Executive Director Fleck updated the Board on the Deloris King matter. He reported that Ms. King had an issue with a TRS loan that she had with us at one time. We sent her a letter on October 14, 2015 and informed her that she would have 90 days in which she could appeal; the 90 days are up in order for her to appeal and we did not receive anything back from her instructing us that she wished to appeal.

The Report of the Executive Director is located behind Tab #2.

Tab 3: Plans Investment Data

Craig Slaughter, Executive Director of the West Virginia Investment Management Board (WVIMB) reviewed the Plan's Investment Returns for December 31, 2015 and January 31, 2016.

Michael Burroughs of AAG/Great West, reviewed the TDC Investment Funds and Investment Performance with the Board for the period ending January 29, 2016.

The Plan's Investment Data reports are located behind Tab #3.

Tab 4: Consideration of Current Disability Retirement Applications

Mr. Murray reported the Disability Committee met on March 1, 2016, and the Committee makes the following recommendations to the Board:

System	Approved	Denied	Total
DSRS	1 Total Duty	0	1 Total Duty
PERS	14	1	15
TDC	2	0	2
TRS	3	0	3
TRS (TDC Transfers)	4	0	4
TOTAL	24	1	25

Captain Corsaro made a motion the Board accept the Disability Committee's

recommendations concerning the disability retirement applications. The motion was seconded by Mr. Lynch. The motion carried unanimously.

The disability list is located behind Tab #4.

Tab 5: Consideration of Appeals to Hearing Officer – Anne Charnock

Hearing Officer Charnock reviewed the appeal of Charles E. Shelton, as to whether the staff was correct to deny the Applicant’s application for a disability retirement annuity subsequent to the Applicant’s receipt of a regular retirement annuity since July, 1999.

Hearing Officer Charnock recommended that the request of Charles E. Shelton to convert his regular retirement annuity to a disability retirement annuity be denied.

Mr. Lynch made a motion to adopt the recommendation of the Hearing Officer and deny the appeal of Charles E. Shelton. Mr. Bunn seconded the motion. The motion carried unanimously.

Consideration of Appeals to Hearing Officer – Jack DeBolt

Hearing Officer DeBolt reviewed the request of Gerald E. Berg. The issue presented in this matter is whether or not the Applicant is eligible to purchase the twenty-five percent of his TDC service credit not afforded to him when he transferred from TDC to TRS.

Hearing Officer DeBolt recommended that the request of Gerald E. Berg to purchase his remaining twenty-five percent of his TDC service credit as service credit in TRS be denied.

Captain Corsaro made a motion to adopt the recommendation of the Hearing Officer and deny the appeal of Gerald E. Berg. Mr. Bunn seconded the motion. The motion carried unanimously.

Hearing Officer DeBolt reviewed the request of Kellie L. Bloss. The issue presented in this matter is whether or not the Applicant is entitled to purchase the twenty-five percent of her TDC service credit which did not transfer to TRS at the time of her transfer.

Hearing Officer DeBolt recommended that the request of Kellie L. Bloss to purchase twenty-five percent of her TDC service credit be approved and she be given 60 days within which to purchase the twenty-five percent service credit.

Mr. Bunn made a motion to adopt the recommendation of the Hearing Officer and approve the appeal of Kellie L. Bloss. Mr. Lynch seconded the motion. There was discussion on the

motion. The motion carried unanimously.

Hearing Officer DeBolt reviewed the request of Brian M. Edmond. The issue presented in this matter is whether or not the Applicant is eligible to reinstate service credit for a period of employment from 1991 to August, 2004.

Hearing Officer DeBolt recommended that the request of Brian M. Edmond to reinstate his withdrawn service credit be denied.

Captain Corsaro made a motion to adopt the recommendation of the Hearing Officer and deny the appeal of Brian M. Edmond. Mr. Vallet seconded the motion. The motion carried unanimously.

Hearing Officer DeBolt reviewed the request of Elizabeth A. Puckett. The issue presented in this matter is whether or not the Applicant is eligible to purchase the twenty-five percent of her TDC service credit which did not transfer to TRS at the time of her transfer to TRS.

Hearing Officer DeBolt recommended that the request of Elizabeth A. Puckett to purchase twenty-five percent of her TDC service credit be denied.

Mr. Bunn made a motion to adopt the recommendation of the Hearing Officer and deny the appeal of Elizabeth A. Puckett. Mr. Vallet seconded the motion. The motion carried unanimously.

The appeals are located behind Tab #5.

Tab 6: Legal Counsel Reports

Chairman Wyant announced he would now entertain a motion to go into Executive Session to discuss legal and contractual matters.

Mr. Bunn made a motion the Board go into Executive Session to discuss legal and contractual matters as allowed by West Virginia Code §6-9A-4. The motion was seconded by Mr. Vallet. The motion carried unanimously. The Board went into Executive Session at 10:44 a.m.

Chairman Wyant reconvened the Public Session of the March 2, 2016 meeting of the CPRB from Executive Session at 11:40 a.m. Chairman Wyant announced the Board was in Executive Session to discuss legal and contractual matters as allowed by West Virginia Code §6-9A-4. He

announced there were no decisions made during Executive Session.

Chairman Wyant announced will now move the agenda back to Tab #2 Reports from the Executive Director to address a Deloitte Change Order for training.

Executive Director Fleck informed the Board that we are going to need additional help with training all of our over 900 employers on our COMPASS System. Our contract with Deloitte contains an option for assistance with employer training; we did not exercise this option when we awarded the contract, but could exercise it at any time. The cost to exercise the employer training option with Deloitte is \$166,080.00 for 960 hours for two Deloitte people for 2 months for the training of over 900 of our employers.

Captain Corsaro made a motion the Board approve a Change Order for the COMPASS Computer System for the employer reporting training and additional help from Deloitte for 960 hours at the cost of \$166,080.00 for two people for 2 months of training. The motion was seconded by Ms. Stout. There was discussion on the motion. The motion carried unanimously.

Chairman Wyant moved the agenda back to address Tab #6, Legal Counsel Reports.

Work in Progress Reports from In-House Legal Counsel – Jeaneen Legato

Jeaneen Legato, In-House Legal Counsel, presented her report to the Board on all pending legal matters. She reported on all current Administrative, Circuit Court, Supreme Court and Less than Honorable Service (LTHS) cases.

Ms. Legato reviewed the case of Birdie Gandy, a TRS appeal to the Circuit Court of Lincoln County. Ms. Legato announced a hearing has been scheduled for March 15, 2016, at 11:00 a.m.

Ms. Legato updated the Board on the case of Ollie Hunting. She announced she was going to speak to the law clerk to see if we can get a ruling on this case.

Ms. Legato updated the Board on the case of Ronald J. Hicks. This case has already been settled, but we are still waiting on the opposing counsel to submit the settlement agreement.

Ms. Legato reviewed the case of Cindy Ringel-Williams v. CPRB. This is a TRS appeal

and Ms. Williams is represented by attorney Bradley Pyles. She announced the West Virginia Supreme Court has scheduled Rule 20 Argument for April 6, 2016 at 10:00 a.m.

Ms. Legato reviewed the Less than Honorable Service (LTHS) case of Glen Wade that was discussed during Executive Session. She announced he was a former TRS Member who was terminated by the Board in February, 2010 for rendering Less Than Honorable Service. Ms. Legato provided copies of a January 25, 2016 letter from defendant's counsel to the Board members for their review, requesting that Mr. Wade's pension be reinstated.

Chairman Wyant asked the Board if there was any action they would like to take regarding the case of Mr. Glen Wade. None was heard.

The report of the In-House Legal Counsel is located behind Tab # 6.

Work in Progress Reports from Outside Legal Counsel – Lenna Chambers

Lenna Chambers, Outside Legal Counsel with Bowles Rice, 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 reviewed the ongoing case of IMB and CPRB v. VALIC. She reported that the Discovery concluded on December 15, 2015, but both Plaintiffs and Defendants have pending Motions to Compel. Dispositive motions were due on January 21, 2016. VALIC filed a Motion for Partial Summary Judgment, which is now pending before the Court. Trial was scheduled for March 27, 2016, but has been officially continued and a new trial date has not been set to date.

Ms. Chambers announced that Bowles Rice is assisting the CPRB with multiple administrative appeals by current and former Department of Natural Resources (DNR) Law Enforcement Officers, regarding whether subsistence pay was properly included as part of the individuals' pensionable compensation in PERS. As of this date, CPRB has received requests for appeals from approximately 150 individuals, all represented by attorney Lonnie Simmons. We have agreed with Mr. Simmons to proceed in a joint appeal and will ask the Hearing Officer to establish streamlined procedures to govern this case.

Ms. Chambers announced that since the last Board Meeting, she has been informed there will be more DNR Enforcement Officers added to this case.

The report of Outside Legal Counsel is located behind Tab #6.

Executive Director Fleck reviewed the report from Shuman, McCuskey & Slicer on the case of Manuel Cartelle v. City of Beckley and CPRB. He announced that Mr. Cartelle's attorney, Matthew Criswell has withdrawn as counsel from this case. The court has agreed to vacate the Scheduling Order. The Court has set a scheduling conference for March 4, 2016 to pick a new trial date.

The report from Shuman, McCuskey & Slicer is located behind Tab #6.

Tab 7: Committee Reports

Accounting & Investing Committee

Mr. Bunn, Chairman of the A&I Committee announced to the Board that the Committee met this morning and had some recommendations to make to the Board on behalf of the Committee.

Mr. Bunn made a motion the Board remove the Scout Mid-Cap Fund from the watch list. The motion was seconded by Ms. Stout. The motion carried unanimously.

Mr. Bunn made a motion the Board add the Fidelity New Millennium Fund to the watch list. The motion was seconded by Mr. Vallet. The motion carried unanimously.

Mr. Bunn made a motion the Board approve staff to increase the TDC cost sharing from 4.30% to 4.32% for the COMPASS Computer System. The motion was seconded by Ms. Stout. The motion carried unanimously.

Hearing Officer Search Committee

Mr. Bunn, Chairman of the Hearing Officer Search Committee informed the Board that the Committee met on February 19, 2016 and approved an advertisement to seek candidates for the replacement for Jack DeBolt who will be retiring this June and a Request for Quotation (RFQ) for back-up hearing officers for the CPRB.

Internal Audit Committee

Executive Director Fleck announced the Internal Audit Committee met yesterday and approved the 2016 Proposed Audit Plan, prepared and presented by our new Internal Auditor, Tina

Baker.

Executive Director Fleck reviewed the 2016 Proposed Audit Plan with the Board that was approved by the Internal Audit Committee and requested their approval.

Ms. Stout made a motion the Board approve the 2016 Proposed Audit Plan and the action of the Internal Audit Committee. Mr. Bunn seconded the motion. The motion carried unanimously.

The Committee Reports are located behind Tab #7.

Tab 8: Other, Old Business

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

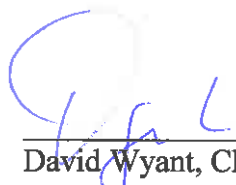
Tab 9: Other, New Business

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

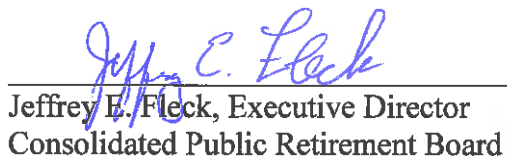
Mr. Bunn announced to Chairman Wyant, on behalf of this Board, we would like to offer our condolences on the loss of your Mother. Chairman Wyant thanked everyone.

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

Chairman Wyant adjourned the meeting of the West Virginia Consolidated Public Retirement Board (CPRB) on March 2, 2016 at 11:57 a.m.



David Wyant, Chairman
Consolidated Public Retirement Board



Jeffrey E. Fleck, Executive Director
Consolidated Public Retirement Board