

**MINUTES OF THE
WV CONSOLIDATED PUBLIC RETIREMENT BOARD
BOARD OF TRUSTEES MEETING
MEETING OF MARCH 20, 2013**

A meeting of the West Virginia Consolidated Public Retirement Board (CPRB) of Trustees was held in the Board Conference Room at 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
Joseph Garcia, Esquire, *representing Governor Earl Ray Tomblin*
David Fletcher, *representing Auditor Glen Gainer III*
Christine Merbedone, *representing Treasurer John Perdue*
Cabinet Secretary Ross Taylor
Joseph Bunn, Esquire
Captain Michael Corsaro
Drema Evans
D. Todd Murray
Andrew Richardson, Esquire

Trustees not present:

Thomas Bradley
Joe Lynch
Tony Payne

A quorum was present.

Due notice had been posted.

Also in attendance were:

Jeffrey E. Fleck, CPRB Executive Director
Jeaneen Legato, Esquire, CPRB General Counsel
Lenna Chambers, Esquire, Bowles Rice
Tom Percy, Bowles Rice
Jack DeBolt, Esquire, Hearing Officer
Kris Morton, Great West Regional Manager
Andrew Wyne, Great West Outreach Officer
Amy Heyel, Great West
Kristy Watson, WV Investment Management Board
Robert Denyer, Gibbons & Kawash
Norm Buckwalter, LRWL
Don Parr, Deloitte Consultants
Misty Peal, WVEA
Harry Mandel, CPRB Actuary
Melody Bailey, CPRB Actuary Analyst

Darden Greene, CPRB CFO
John Beane, CPRB Chief IT Officer
Cindy Boyd, CPRB Computer Project Manager
Annamarie Short, CPRB Internal Auditor
Steve Stockton, CPRB Compliance Officer
Cindy Adkins, CPRB Office Manager
Alysia Miller, CPRB Paralegal
Shawna Carson, CPRB IT Staff
Brittany Smith, CPRB TRS Staff
Deana Gose, CPRB Uniform Services Manager
Lisa Trump, CPRB PERS Manager
Caroline Brady, CPRB PERS Assistant Manager

Tab 1: Approval of the February 6, 2013 Meeting Minutes

Mr. Garcia made a motion to approve the February 6, 2013 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

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

Executive Director Fleck announced to the Board that before I give my report, I have sad news to report to the Board. My Executive Assistant, Candi Moore, is not here today for the meeting as her mother passed away yesterday.

1. Executive Director Fleck reviewed the February 2013 Teachers' Retirement System (TRS) and Public Employees Retirement System (PERS) retirement and estimate numbers. He reported there were 163 TRS Estimates and 48 TRS Retirements completed. In PERS, there were 237 Estimates and 136 Retirements processed.
2. Executive Director Fleck reported to the Board that the Law Enforcement Experience Study has been completed.
3. Executive Director Fleck announced to the Board that the Comprehensive Annual Financial Report (CAFR) has been completed. He announced that Bob Denyer from Gibbons & Kawash is here to review the report with the Board.
4. Mr. Denyer from Gibbons & Kawash reviewed the CAFR program and report with the Board.
5. Executive Director Fleck informed the Board that the PERS Employer Contribution Rate Letter went out to all PERS employers informing them of the

increase in the employer contribution rate from 14.0% to 14.5% effective July 1, 2013.

6. Executive Director Fleck reviewed with the Board the Teachers' Defined Contribution (TDC) 2013 Educational Meetings. He announced there were 25 meetings held with 217 in attendance.
7. Executive Director Fleck reported to the Board the TDC Reality Investing statistics are in the Board book. He announced that as of March 4, 2013 there are 5,051 total TDC participants in TDC, with \$337,100,353 in total assets.
8. Executive Director Fleck reviewed the delinquent employers list with the Board. He updated the Board on Green Acres Regional Center and the Town of Pratt Water Work's delinquencies. West Virginia American Water Company has agreed to take over the Town of Pratt Water Works after a vote within the next ninety days of the townspeople. The acquisition should be complete sometime in December 2013 and at that time PERS would be paid the total delinquent amount owed.
9. Executive Director Fleck updated the Board on the Hearing Officer search. He announced that he has two very viable candidates and will report to the Board on his findings during Executive Session.
10. Executive Director Fleck updated the Board on the prospect of the Board using electronic tablets. He announced it currently costs \$629.00, plus a monthly fee for the iPad and requires a commitment for service with AT&T. The cost for the Kindle Fire would be \$269.00 with no monthly fees and no commitment required. Mr. Richardson made a motion for Director Fleck to proceed from the paper Board books to Kindle Fire tablets. The motion was seconded by Captain Corsaro. The motion carried unanimously.
11. Executive Director Fleck reviewed the February 2013 Financials. As of February 28, 2013 we are at 38.4% of budget for fiscal year 2013, with any budget sums left over at the end of the fiscal year to be set aside for the Computer Project.
12. Executive Director Fleck reviewed with the Board the Senate Bills and House Bills currently in various committees in the Legislature. The Legislative Session is half way through and the last day of Session will be Saturday, April 13, 2013. Executive Director Fleck's report is located behind Tab 2.

Tab 3: Plans Investment Data

Kristy Watson, Chief Investment Officer with the West Virginia Investment Management Board (WVIMB), reviewed with the Board the plans investment returns as of January 2013.

Kris Morton, Great West Retirement Services, reported to the Board regarding the TDC investments. The Investment Data reports are located behind Tab 3.

Tab 4: Consideration of Current Disability Retirement Applications

Acting Chairman Murray reported the Disability Committee met yesterday, Tuesday March 19, 2013, and the Committee makes the following recommendations to the Board:

System	Approved	Denied	Total
DSRS	1 – Partial Duty	0	1
PERS	15	1	16
TDC	4	0	4
TRS	1	0	1
TRS(TDC Transfers)	7	0	7
TOTAL	28	1	29

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.

Mr. Murray made a motion to discontinue Eddie Gilkerson’s DSRS partial non-duty disability annuity effective April 1, 2013 until he complies with the submission of a physician’s report stating he remains disabled. If an appropriate medical recertification form is received within one year, staff to be authorized to reinstate his annuity effective the first day of the month following receipt. If not received within one year, his disability annuity shall be terminated. The motion was seconded by Captain Corsaro. The motion carried unanimously. The disability list is behind Tab 4.

Tab 5: Consideration of Appeals from Hearing Officers - Jack DeBolt

Mr. Bunn made a motion the Board go into Executive Session to discuss medical issues, legal matters, contractual matters, commercial competition and personnel matters 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 10:43 a.m.

The Chairman reconvened the Public Session of the March 20, 2013 meeting of the CPRB from Executive Session at 1:24 p.m. Chairman Wyant stated the Board was in Executive Session to discuss medical issues, legal matters, contractual matters, commercial competition and personnel matters 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 5: Consideration of Appeals from Hearing Officers.

Hearing Officer DeBolt addressed the appeal of Kenneth R. Adams as to whether or not the Applicant is physically or mentally totally and probably permanently incapacitated for employment within the meaning of and with the character of proof required by WV Code §5-10-25 and WVCSR §162-2-3.2a. It is recommended by Hearing Officer DeBolt that the request of Kenneth R. Adams for disability retirement benefits from PERS be denied.

Mr. Fletcher made a motion to adopt the recommendation of Hearing Officer DeBolt and deny the appeal of Kenneth R. Adams for disability retirement benefits from PERS. The motion was seconded by Mr. Murray. The motion carried unanimously.

Hearing Officer DeBolt addressed the appeal of TRS member Victoria L. Pickavance as to whether or not the Applicant is entitled to acquire service credit for employment from the 1989-90 through 1993-94 school years. It is recommended by Hearing Officer DeBolt that the request of Victoria L. Pickavance to acquire service credit in TRS be denied.

Mr. Richardson made a motion to adopt the recommendation of Hearing Officer DeBolt and deny the appeal of Victoria L. Pickavance for service credit in TRS. The motion was seconded by Mr. Murray. The motion carried unanimously. The appeals are located behind Tab 5.

Tab 6: Work in Progress Reports from Legal Counsel

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

In-House Legal Counsel, Jeaneen Legato, 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 cases. The report of In-House Legal Counsel is located 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 case of Ronald McKown, TRS military service credit, which is scheduled to be heard by the Supreme Court of Appeals on April 10, 2013. She reported that she has received a settlement proposal from the petitioner proposing the board drop the appeal in exchange for various options that were discussed during Executive Session.

Mr. Bunn made a motion to settle the matter and drop the appeal of Ronald McKown and to pursue Option B as discussed in Executive Session. The motion was seconded by Mr. Richardson. The motion carried unanimously.

Ms. Chambers announced to the Board that there has been a compliance issue discovered in TRS and the Deputy Sheriff's Retirement System (DSRS) with regard to some errors found in the way the defaulted loans were reported or were not timely reported to the IRS. There is a procedure with the Employee Plan Compliance Resolution System to correct those mistakes that require filing a Voluntary Correction Program document along with a filing fee for each plan. Ms. Chambers stated she would like to request the Board give Executive Director Fleck permission to sign those documents and file on behalf of the Retirement Board to correct those errors.

Mr. Fletcher made a motion to allow Director Fleck to sign the Voluntary Correction Program documents for TRS and DSRS, and file those documents and fees with the IRS for each Plan. The motion was seconded by Mr. Richardson. The motion carried unanimously. The report of Outside Counsel is located behind Tab 6.

A status report by Pullin, Fowler, Flanagan, Brown and Poe on the case of Dougherty v. CPRB is located behind Tab 6.

Tab 7: Committee Updates

Accounting & Investment Committee

Chairman Richardson reported to the Board that the A & I Committee met this morning. Amy Heyel, Eastern Vice President with Great West, made a presentation to the Committee today and did a nice job with her presentation. The minutes for the A&I Committee are located behind Tab 7.

Computer System Update Committee

Chairman Corsaro announced to the Board the Computer System Update Committee met on March 14, 2013 and reviewed the proposed technical scoring of the proposals that remain in the running for the award of the contract. Those scores were presented during Executive Session.

Chairman Corsaro made a motion the Board accept the technical scores as presented to the Board and send it to Purchasing to open the cost. The motion was seconded by Mr. Richardson. The motion carried unanimously.

Chairman Corsaro announced following the opening of the cost, it will be time for the Best and Final Offer (BAFO) to be created. The Committee would like to have the authority to review the proposed BAFO documents from staff and submit those back out for proposal from the vendors.

Mr. Richardson made a motion the Board grant authority to the Committee to proceed with the proposed BAFO documents and submit those out for proposal. The motion was seconded by Mr. Bunn. The motion carried unanimously.

Chairman Corsaro stated that the Computer Committee will come back to the Board hopefully at the next Board Meeting with a presentation of the BAFO technical scores. The minutes for the Computer System Update Committee are located behind Tab 7.

Executive Director & Actuary Review Committee

Chairman Wyant announced that the Executive Director & Actuary Review Committee met today and discussed the evaluation of the Executive Director.

Mr. Garcia made a motion to recommend, with the approval of the Governor, to give the Executive Director a raise from \$100,000 to \$105,000 effective April 1, 2013. The motion was seconded by Captain Corsaro. The motion carried unanimously.

Chairman Wyant stated the Board was happy with what Director Fleck was doing and told him to continue on. The minutes for the Executive Director & Actuary Review Committee 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 announced to the Board the Buck Consultants contract needs to be renewed.

Executive Director Fleck informed the Board this is a one year contract, with three - one year renewals. He announced that Buck Consultants is used for annual actuarial valuations, experience studies and working with CPRB actuarial staff. There will be a slight 5% increase over the previous year's contract.

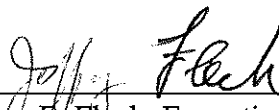
Captain Corsaro made a motion the Board extend the contract with Buck Consultants for one year, with the three - one year extensions. The motion was seconded by Mr. Fletcher. The motion carried unanimously.

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

Chairman Wyant adjourned the March 20, 2013 meeting of the West Virginia CPRB at
1:40 p.m.



David Wyant, Chairman
Consolidated Public Retirement Board



Jeffrey E. Fleck, Executive Director
Consolidated Public Retirement Board