

**MINUTES OF THE
WV CONSOLIDATED PUBLIC RETIREMENT BOARD
BOARD OF TRUSTEES MEETING
MEETING OF MARCH 5, 2014**

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 10:06 a.m. by Chairman David Wyant.

Roll Call was taken.

Trustees present were:

David Wyant, Esquire, Chairman
Joseph Garcia, Esquire, *representing Governor Earl Ray Tomblin*
David Fletcher, *representing Auditor Glen Gainer III*
Cabinet Secretary Ross Taylor
Joseph Bunn, Esquire
Captain Michael Corsaro
Joe Lynch
D. Todd Murray

Trustees not present:

Diana Stout, *representing Treasurer John Perdue*
Thomas Bradley
Andrew Richardson, Esquire
Jeffrey Vallet

A quorum was present.

Due notice had been posted.

Also in attendance were:

Jeffrey E. Fleck, CPRB Executive Director
Terasa Miller, Deputy Director
Jeaneen Legato, Esquire, CPRB General Counsel
Candi Moore, CPRB Executive Assistant
Jack DeBolt, Esquire, Hearing Officer
Lenna Chambers, Esquire, Bowles Rice
David Mullins, Department of Administration
Andrew Wyne, Great-West Retirement Services, Outreach Officer
Eric Sanderson, West Retirement Services
Craig Slaughter, Executive Director, WVIMB
Tom Zacharin, Deloitte Services
Norm Buckwalter, LRWL
Harry Mandel, CPRB Actuary
Melody Bailey, CPRB Actuary Analyst

Darden Greene, CPRB CFO
John Beane, CPRB Chief IT Officer
Annamarie Short, CPRB Internal Auditor
Steve Stockton, CPRB Compliance Officer
Alysia Miller, CPRB Paralegal
Chrissy Courtney, CPRB Outreach Coordinator
Eric Stringer, CPRB IT Staff
Chris Bush, CPRB Uniform Services Retirement Advisor
Deana Gose, CPRB Uniform Services Manager
Lisa Trump, CPRB PERS Manager
Caroline Brady, CPRB PERS Assistant Manager

Tab 1: Approval of the January 15, 2014 Meeting Minutes

Mr. Fletcher made a motion to approve the January 15, 2014 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. Executive Director Fleck reviewed the January 2014 Teachers' Retirement System (TRS) and Public Employees Retirement System (PERS) retirement and estimate numbers. He reported there were 136 TRS Estimates and 58 TRS Retirements for January. In PERS, there were 168 Estimates and 189 Retirements for January.
2. Executive Director Fleck announced that he received some complimentary correspondence from retirees regarding staff and what a good job they are doing for the CPRB and the State. The Executive Director reviewed the correspondence with the Board Members.
3. Executive Director Fleck reported to the Board the CPRB was listed in the national publication of Pensions & Investment's January 20, 2014 article regarding our State funding our TRS Retirement Plan and using \$807 million dollars in 2005 from the tobacco settlement to shore up the TRS Plan. Executive Director Fleck reported that the article was complimentary of our TRS Plan and how others have watched and learned from our experience in West Virginia.
4. Executive Director Fleck reported it is almost time to submit the CAFR again. Executive Director thanked Darden Greene, and his staff for doing a great job on this past year's CAFR.

5. Executive Director Fleck announced our current contract for financial auditing services expires in July of this year; we will be placing it out for an RFP later this month.
6. Executive Director Fleck informed the Board the Trooper Plan B and PERS contribution letters went out, informing the employers of the changes in the contribution rates for their budgets.
7. Executive Director Fleck announced the CPRB was mentioned in the March issue of Quotes, Notes & Anecdotes again, regarding our Annual Statements going out to all State employees in April, 2014.
8. Executive Director Fleck reviewed the Teachers' Defined Contribution (TDC) 2014 Educational Meetings. He announced there have been a total of 162 meetings so far this year.
9. Executive Director Fleck reported to the Board the TDC Reality Investing statistics are in the Board books. He announced that Reality Investing had a total of 169 managed accounts with 4,894 participants and \$373,225,023 in total assets as of February 3, 2014.
10. Executive Director Fleck reviewed the delinquent employers list with the Board.
11. Executive Director Fleck reported to the Board on the Computer Update. He announced the software vendors signed the WV-96 and WV-96A and returned them to us and they are going to the Attorney General's office today.
12. Executive Director Fleck reported to the Board that he will need the Board's approval to purchase two imaging servers for the IT Department. The vendor is Advitex Company and the amount to purchase the two servers is: \$72,778.00. Mr. Bunn made a motion to give Executive Director Fleck permission to purchase the 2 servers in the amount of \$72,778.00. Mr. Lynch seconded the motion. There was discussion on the motion. The motion carried unanimously.
13. Executive Director Fleck reported on the January 2014 CPRB Financials; he reported we are at 38.22% of budget as of January 31, 2014.
14. Executive Director Fleck reported on the CPRB Legislation. Director Fleck reported Senate Bill's 443, 444 and 452 have passed both Houses, are completed and went to the Governor for his signature on March 3, 2014. Executive Director announced that House Bill 4349 has passed through the House, is in Senate Judiciary and hopefully will pass out of Senate Judiciary to be completed before

Session is over this weekend. Sine Die is this Saturday, March 8, 2014 at midnight.

15. Executive Director Fleck informed the Board Members that the Legislative Auditor's office of Performance Evaluation and Research Division (PERD) will be performing an audit of the Department of Administration and the CPRB. They will be here sometime in March.

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 with the Board the plan's investment returns for December 2013 and January 2014.

Eric Sanderson, Great-West Retirement Services, reported to the Board on the TDC investments and Reality Investing. The Plan's Investment Data reports are located behind Tab 3.

Tab 4: Consideration of Current Disability Retirement Applications

Chairman Murray reported the Disability Committee met on March 4, 2014, and the Committee makes the following recommendations to the Board:

| System | Approved | Denied | Total |
|------------------------------|-----------------|---------------|--------------|
| PERS | 7 | 8 | 15 |
| TDC | 2 | 0 | 2 |
| TRS | 3 | 0 | 3 |
| TRS/TDC Transfers | 6 | 0 | 6 |
| TOTAL | 18 | 8 | 26 |

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

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

Hearing Officer DeBolt reviewed with the Board the Appeal of Arden J. Curry, II on

whether or not Applicant is entitled to participate in PERS as a consequence of employment with the Department of Agriculture. Hearing officer DeBolt recommended that the appeal of Arden J. Curry, II, to be permitted PERS participation be denied.

Mr. Bunn made a motion the Board accept the Hearing Officer's recommended decision and deny the appeal of Arden J. Curry, II. Captain Corsaro seconded the motion. There was discussion on the motion. The motion carried unanimously. The Appeal is located behind Tab 5.

Tab 6: Work in Progress Reports from Legal Counsel

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

Mr. Bunn made a motion the Board go into Executive Session to discuss legal matters as allowed by West Virginia Code § 6-9A-4. The motion was seconded by Captain Corsaro. The motion carried unanimously. The Board went into Executive Session at 10:34 a.m.

Chairman Wyant reconvened the Public Session of the March 5, 2014 meeting of the CPRB from Executive Session at 11:31 a.m. Chairman Wyant stated the Board was in Executive Session to discuss legal matters as allowed by West Virginia Code § 6-9A-4. He announced there were no decisions made during Executive Session. We will now return to Tab #6 on the Agenda, Reports from Legal Counsel.

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 (LTHS) cases.

Chairman Wyant asked the Board if they would like to make a motion to grant authority for counsel to continue in settlement discussions in the Hicks v. CPRB case.

Captain Corsaro made a motion to give counsel approval to enter into a settlement agreement regarding the Hicks v. CPRB case. The motion was seconded by Mr. Bunn. The motion carried unanimously. The report of the 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. The report of Outside Legal Counsel is located behind Tab 6.

Chairman Wyant presented the report from Pullin, Fowler, Flanagan, Brown & Poe on the case of Dougherty v. CPRB. Chairman Wyant reported there was no change to the report.

The report from Pullin, Fowler, Flanagan, Brown & Poe is located behind Tab 6.

Tab #7: Committee Updates

Accounting & Investment Committee

Chairman Wyant announced our Committee on Accounting & Investments could not hold a meeting this morning due to a lack of a quorum. Chairman Wyant reported the A & I Committee will be meeting just before the April Board meeting and it is expected they would have a report for the Board at that time.

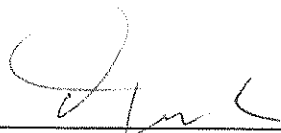
Tab 8: Other, Old Business

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

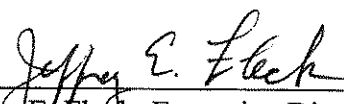
Tab 9: Other, New Business

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

Chairman Wyant adjourned the March 5, 2014 meeting of the West Virginia Consolidated Public Retirement Board at 11:39 a.m.



David Wyant, Chairman
Consolidated Public Retirement Board



Jeffrey E. Fleck, Executive Director