

**MINUTES OF THE  
WV CONSOLIDATED PUBLIC RETIREMENT BOARD  
BOARD OF TRUSTEES MEETING  
MEETING OF May 28, 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 10:04 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*  
Donna Lipscomb-Spano, *representing Cabinet Secretary Ross Taylor*  
Joseph Bunn, Esquire  
Captain Michael Corsaro  
Joe Lynch  
D. Todd Murray  
Andrew Richardson, Esquire  
C. Jeffrey Vallet, Certified Public Accountant

Trustees not present:

Diana Stout, *representing Treasurer John Perdue*  
Thomas Bradley

A quorum was present.

Due notice had been posted.

Also in attendance were:

Jeffrey E. Fleck, CPRB Executive Director  
Teresa Miller, CPRB Deputy Director  
Candi Moore, CPRB Executive Assistant  
Jeaneen Legato, Esquire, CPRB General Counsel  
Jack DeBolt, Esquire, Hearing Officer  
Lenna Chambers, Esquire, Bowles Rice  
Cindy Boyd, CPRB Project Manager  
Norm Buckwalter, LRWL  
Andrew Wyne, Great West Retirement Services, Outreach Officer  
Eric Sanderson, Great West Retirement Services  
Aaron Schluep, Great West Services  
Craig Slaughter, Executive Director, WVIMB

Phil Kabler, Charleston Gazette  
Misty Peal, WVEA  
Tom Zacharias, Deloitte  
Jerry McClure, Appellant  
Heather Drake, CPRB Administrative Assistant  
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  
Deana Gose, CPRB Uniform Services Manager  
Lisa Trump, CPRB PERS Manager  
Caroline Brady, CPRB PERS Assistant Manager  
Torrie Williams, CPRB PERS Membership

**Tab 1: Approval of the April 16, 2014 Meeting Minutes**

Captain Corsaro made a motion to approve the April 16, 2014 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:

1. Executive Director Fleck reviewed the April 2014 Teachers' Retirement System (TRS) and Public Employees Retirement System (PERS) retirement and estimate numbers. He reported for April there were 90 TRS Estimates and 81 Retirements and in PERS there were 437 Estimates and 71 Retirements.
2. Executive Director Fleck informed the Board of the latest brief by the National Association of State Retirement Administrators (NASRA) regarding interest rate assumptions.
3. Executive Director Fleck reported on the PERS Retirement Seminar schedule. It lists all of the locations and dates for all seminars that are coming up this year to discuss retirement options across the State.
4. Executive Director Fleck reviewed the Computer update with the Board. He announced the change order that was approved by the Board is now at the

Purchasing Division awaiting their approval.

*Diana Stout, representing Treasurer John Perdue arrived at 10:09 a.m.*

5. Executive Director Fleck reported on the TDC Reality Investing statistics. He announced that Reality Investing had a total of 176 managed accounts with 4,861 participants and \$386,180,544 in total assets as of March 31, 2014.
6. Executive Director Fleck reviewed the Teachers' Defined Contribution (TDC) 2014 Educational Meetings. He announced there have been a total of 39 meetings so far this year with 467 participants.
7. Executive Director Fleck reviewed the delinquent employers list with the Board.

*Cabinet Secretary, Ross Taylor arrived at 10:11 a.m.*

8. Executive Director Fleck announced that the 2014 Fiduciary Training will take place before the August 13, 2014 Board Meeting.
9. Executive Director Fleck reported on the April 2014 CPRB Financials; he reported we are at 54% of budget as of April 31, 2014.
10. Executive Director Fleck announced the RFQ for the Financial Audit will go to the Purchasing Division by the end of next week. He announced he will come back to the Board with the results.
11. Executive Director Fleck reviewed with the Board on the May 2014 Legislative Interim.
12. Executive Director Fleck reported to the Board it is time to renew the contract for Buck Consultants and that he will need approval from the Board.

Chairman Wyant announced he would now entertain a motion from the Board to extend the contract of Buck Consultants.

Captain Corsaro made a motion the Board grant the Executive Director permission to extend the contract for Buck Consultants for one year. Mr. Vallet seconded the motion. The motion carried unanimously.

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 March and April 2014. Mr. Slaughter also reported that legislation passed removing percentage limitations on investments.

Eric Sanderson, Great-West Retirement Services, reported to the Board on the TDC investments and Reality Investing. He informed the Board that the president and CEO of Great West will be retiring at the end of May, 2014.

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 May 27, 2014, and the Committee makes the following recommendations to the Board:

<b>System</b>	<b>Approved</b>	<b>Denied</b>	<b>Total</b>
<b>PERS</b>	15	0	15
<b>TDC</b>	1	0	1
<b>TRS</b>	1	0	1
<b>TRS/TDC Transfers</b>	6	0	6
<b>TOTAL</b>	<b>23</b>	<b>0</b>	<b>23</b>

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 behind Tab 4.

**Tab 5: Consideration of Appeals to Hearing Officers – Jack DeBolt**

Hearing Officer DeBolt reviewed with the Board the Appeal of Phillip D. Gaujot on whether or not the Applicant’s employment from 1977 to 1985 entitled him to PERS participation. Hearing officer DeBolt recommended that the appeal of Phillip D. Gaujot for PERS service credit

for his period of employment from March 21, 1977 to October 1, 1979, be denied. It is further recommended that his request for PERS service credit from the period from October 1, 1979 through February 26, 1985 be approved.

Mr. Vallet made a motion the Board accept the Hearing Officer's recommended decision and deny the appeal of Phillip D. Gaujot for PERS service credit for his period of employment from March 21, 1977 to October 1, 1979; and that his request for PERS service credit from the period from October 1, 1979 through February 26, 1985 be granted. Mr. Murray seconded the motion. There was discussion on the motion. The motion carried unanimously.

Hearing Officer DeBolt reviewed with the Board the Appeal of Linda D. Griffith and Tina Lopez on whether or not the Applicants, or either of them, have been eligible to participate in their respective retirement systems since July 1, 2008. Hearing officer DeBolt recommended that the requests of Linda D. Griffith and Tina Lopez for retirement system eligibility for their employment after July 11, 2008 be denied.

Captain Corsaro made a motion the Board accept the Hearing Officer's recommended decision and deny the appeal of Linda D. Griffith and Tina Lopez for retirement system eligibility for their employment after July 11, 2008. Mr. Fletcher seconded the motion. Chairman Wyant announced to the Board that an email was sent from Ms. Griffith and can be found in the Board Books, behind Hearing Officer DeBolt's recommended decision. There was discussion on the motion. The motion carried unanimously.

Hearing Officer DeBolt reviewed with the Board the Appeal of LuAnn Hendershot the following are presented as issues in this matter:

1. Whether or not the amount of service credit afforded the Applicant for the 1978-1979 school year is accurate.
2. Whether or not the amount of service credit now afforded the Applicant for the 1985-1986 school year is accurate.
3. Whether or not the amount of service credit now afforded the Applicant for the 1988-1989 school year is accurate.
4. Whether or not the amount of service credit afforded the Applicant for the 1989-1990 school year is accurate.
5. Whether or not the conversion of the Applicant's sick leave to additional service credit is accurate.

Hearing officer DeBolt recommended that the requests of LuAnn B. Hendershot to recalculate

her annuity be denied.

Mr. Bunn made a motion the Board accept the Hearing Officer's recommended decision and deny the appeal of LuAnn Hendershot. Mr. Vallet seconded the motion. The motion carried unanimously.

The Appeals are 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 issues.

Mr. Vallet made a motion the Board go into Executive Session to discuss legal issues 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 10:37 a.m.

Chairman Wyant reconvened the Public Session of the May 28, 2014 meeting of the CPRB from Executive Session at 12:00 p.m. Chairman Wyant stated the Board was in Executive Session to discuss legal issues as allowed by West Virginia Code § 6-9A-4. He announced there were no decisions made during Executive Session and returned to Tab 6 on the Agenda, 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.

Ms. Legato reviewed the LTHS case of Rhonda Thomas, a member of PERS and a former Department of Motor Vehicles Manager convicted on May 15, 2014 of Embezzlement. Ms. Legato recommended the Board proceed with Less Than Honorable Service against Ms. Thomas.

Mr. Bunn made a motion the Board to authorize Counsel to proceed with Less Than Honorable Service against Rhonda Thomas. The motion was seconded by Mr. Fletcher. 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.

Outside Counsel, Lenna Chambers reported to the Board on the CPRB v. Keith Wood, et. al. case. She reported since the last Board meeting she had received the final mandate of the Supreme Court of West Virginia on this case which involved service credit for periods of armed conflict. She announced that the decision was made on April 28, 2014 by the Supreme Court.

Chairman Wyant asked the Board if there was any action they wanted to take in regard to the CPRB v. Keith Wood CPRB, et. al. case.

Mr. Bunn made an omnibus motion that the Board take the following actions to comply with the Supreme Court’s Order in the Wood case:

1. That the Board adopt the “periods of armed conflict” recognized by the Court in its opinion in CPRB v. Keith Wood, et al, for all PERS non-contributory military service credit requests pursuant to W. Va. Code § 5-10-15;
2. That upon request, the Board award military service credit to other PERS members who substantiate service during such periods, provided they meet other qualifications of W. Va. Code § 5-10-15;
3. That upon request, the Board award military service credit to PERS retirees who retired on or after June 8, 2000, the date the “period of armed conflict” language was added to W. Va. Code § 5-10-15, who substantiate service during such periods and meet the other qualifications of W. Va. Code § 5-10-15, including back payments to the retirees’ effective date of retirement;
4. That with respect to those retirees who are granted credit pursuant to the Wood decision, that the Board include interest at 4% per annum on any back payments

made; and,

5. That the Executive Director & Legal Counsel draft a letter to retirees informing them of the implications of the Wood decision and present it at the next Board meeting for approval of the Board.

The motion was seconded by Captain Corsaro. The motion carried unanimously.

Chairman Wyant requested the Board Actuary provide the Board with a report of the cost on the actions just voted upon.

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

Executive Director Fleck reviewed with the Board on the case of Dougherty v. CPRB. The report from Pullin, Fowler, Flanagan, Brown & Poe is located behind Tab 6.

### **Tab 7: Committee Updates**

#### **Accounting & Investment Committee**

Chairman Bunn announced the A&I Committee met this morning and would like to make a recommendation to the Board. The A&I Committee voted this morning to place PIMCO Total Return Fund on watch. The Committee recommends the Board adopt the A&I Committee's recommendation to place PIMCO Total Return Fund on watch.

Mr. Richardson made a motion the Board adopt the A&I Committee's recommendation and place PIMCO Total Return Fund on watch. The motion was seconded by Mr. Fletcher. There was discussion on the motion. The motion carried unanimously.

Mr. Bunn announced to the Board the A&I Committee voted to replace another fund which was on the watch list.

Mr. Bunn made a motion the Board adopt the A&I Committee's recommendation to replace John Hancock Large Cap Equity Fund with the Fidelity New Millennium Fund. Ms. Stout seconded the motion. The motion carried unanimously.



Mr. Bunn announced the Fee Holiday in the TDC Plan will expire on June 30, 2014 and the A&I Committee will come back to the Board with a recommendation as to whether or not to take action on the Fee Holiday.

Chairman Wyant asked the Committee to bring a report back to the Board for consideration.

**WV Investment Management Board Representatives Committee**

Mr. Murray announced the WV IMB Representatives Committee met on May 19, 2014 and reviewed applications for representatives to the Committee.

Mr. Lynch announced he would like to make a motion that the Board adopts the following people as representatives to the IMB Representatives Committee:

- |        |  |
|--------|--|
| PERS   | Patricia Hamilton, Charleston, WV          |
| TRS    | Tony Lautar, Jr., Parkersburg, WV          |
| JRS    | The Honorable John Hutchinson, Beckley, WV |
| Plan A | William J. Scott, South Charleston, WV     |
| Plan B | Scott M. Pettry, South Charleston, WV      |
| DSRS   | David D. Gentry, Beckley, WV               |
| EMSRS  | Mark Kerns, Hurricane, WV                  |

Captain Corsaro seconded the motion. The motion carried unanimously.

**Tab 8: 2015 Proposed Legislative Rules**

Deputy Director Terasa Miller reviewed with the Board on the proposed Legislative Rule, Title 162, Series 7.

Mr. Murray made a motion the Board authorize staff to present the proposed Legislative Rule, Title 162, Series 7 to the Legislature for consideration. Mr. Fletcher seconded the motion. The motion carried unanimously.

Deputy Director Miller reviewed with the Board on the proposed Legislative Rule, Title 162, Series 8.

Mr. Vallet made a motion the Board authorize staff to present the proposed Legislative Rule, Title 162, Series 8 to the Legislature for consideration. Mr. Garcia seconded the motion. The motion carried unanimously.

Deputy Director Miller reviewed with the Board on the proposed Legislative Rule, Title 162, Series 10.

Mr. Fletcher made a motion the Board authorize staff to present the proposed Legislative Rule, Title 162, Series 10 to the Legislature for consideration. Mr. Lynch seconded the motion. The motion carried unanimously.

Deputy Director Miller announced that if there are any public comments on any of the proposed legislation, staff will bring them back to the Board at the next meeting.

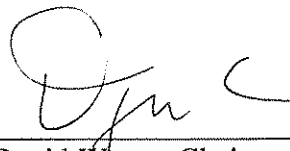
**Tab 9: Other, Old Business**

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

**Tab 10: 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 May 28, 2014 meeting of the West Virginia Consolidated Public Retirement Board at 12:23 p.m.



---

David Wyant, Chairman  
Consolidated Public Retirement Board



---

Jeffrey E. Fleck, Executive Director  
Consolidated Public Retirement Board