

**MINUTES OF THE  
WV CONSOLIDATED PUBLIC RETIREMENT BOARD  
BOARD OF TRUSTEES MEETING  
MEETING OF JUNE 27, 2012**

A meeting of the West Virginia Consolidated Public Retirement Board (CPRB) of Trustees was held at the CPRB Conference Room, 4101 MacCorkle Avenue, SE, Charleston, West Virginia 25304, and was called to order at 11:10 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*  
Mack Parsons, *representing Auditor Glen Gainer III*  
Diana Stout, *representing Treasurer John Perdue*  
Acting Cabinet Secretary Ross Taylor  
Joseph Bunn, Esquire  
Captain Michael Corsaro  
Drema Evans  
David Fletcher  
Joe Lynch  
Todd Murray  
Sergeant Tony Payne  
Andrew Richardson, Esquire

Trustees not present:

Thomas Bradley

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  
Melody Simpson, Esquire, Bowles Rice, McDavid, Graff and Love  
Lenna Chambers, Esquire, Bowles, Rice, McDavid, Graff and Love  
Jack DeBolt, Esquire, Hearing Officer  
Amy Heyle, Great West Vice President  
Kris Morton, Great West Regional Manager  
Andrew Wyne, Great West Outreach Officer  
Tom Sauvageot, WVIMB Investment Officer  
J. Darden Greene, CPRB Chief Financial Officer  
Steve Stockton, CPRB Chief Compliance Officer  
Cindy Boyd, CPRB Project Manager  
Cindy Adkins, CPRB Office Manager  
Barbara Haddad, CPRB IT Manager

Harry Mandel, CPRB Actuary  
Melody Bailey, Actuary Analyst  
Annamarie Short, CPRB Internal Auditor  
Lisa Trump, CPRB PERS Manager  
Caroline Brady, CPRB PERS Assistant Manager  
Deana Gose, Uniform Services Manager  
Alysia Miller, CPRB Paralegal  
Eric Stringer, CPRB IT Staff  
Brittany Smith, CPRB TRS Staff  
Donna Lipscomb, Acting Cabinet Secretary Ross Taylor's Office  
Deborah Phillips, The Arnold Agency  
Misty Peal, WVEA

**Tab #1: Approval of the May 23, 2012 Meeting Minutes**

Mr. Fletcher made a motion to approve the May 23, 2012 minutes of the CPRB. The motion was seconded by Ms. Evans. 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. Director Fleck reviewed with the Board the May 2012 Teachers' Retirement System (TRS) and Public Employees Retirement System (PERS) retirement numbers and estimates for the CPRB.
2. Director Fleck informed the Board of the new employees of the CPRB: Ashley Neff and Lynn Browder.
3. Director Fleck informed the Board the CPRB has two summer interns from the Governors Intern Program: Emily Parsons and Max Lewis.
4. Director Fleck reviewed with the Board all of the current delinquent employers in PERS and specifically discussed Green Acres and Town of Pratt Water Works.

*Ms. Evans departed the Board Meeting at 11:14 a.m.*

5. Director Fleck reviewed with the Board all of the delinquent employers in Uniform Services.
6. Director Fleck reviewed with the Board the proposed IRS Normal Retirement Age Regulations. He reported that Melody Simpson, Esq. from Bowles Rice provided training to CPRB staff on June 7, 2012.

*Ms. Evans returned to the Board Meeting at 11:15 a.m.*

7. Director Fleck reviewed with the Board on the TDC Educational Meetings. He reported there were 37 meetings provided, in group attendance were 26, onsite individual sessions were 145, distribution and other counseling in attendance was 349, with a total of 520 people in attendance.
8. Director Fleck reviewed with the Board the TDC Reality Investing statistics as of June 1, 2012. The total TDC assets are \$312,734,778 with 5,163 TDC members.
9. Executive Director Fleck reviewed with the Board the CPRB May 2012 Financials. He announced CPRB is 51% of budget as of May 31, 2012.
10. Director Fleck reviewed with the Board the CPRB Annual Report for Fiscal Years 2010 and 2011.
11. Executive Director Fleck informed the Board Cindy Boyd, Computer Project Manager, attended the Public Retirement Information Systems Management (PRISM) Conference May 6<sup>th</sup> through May 9<sup>th</sup>.
12. Executive Director Fleck informed the Board he attended the NCTR 25<sup>th</sup> Annual System Directors' Meeting in Denver, Colorado from June 10<sup>th</sup> through June 12<sup>th</sup>.
13. Executive Director Fleck informed the Board the CPRB had an issue with June annuity payroll wherein approximately 3,300 people had incorrect PEIA deductions and were going to receive too much money in their paychecks. PEIA sent incorrect information to CPRB and CPRB had to reprocess and reissue the annuity payroll. Director Fleck thanked all of the CPRB staff who put in additional hours to accomplish this, and he thanked the staff of the Treasurer's office, Auditor's office and Governor's office for their assistance. Diana Stout thanked Director Fleck and informed the Board he did a really good job taking care of all of those retirant's; she announced to the Board this would have taken months for the retirant's to pay this money back had those improper checks gone out.
14. Director Fleck reviewed with the Board a Memorandum of Understanding (MOU) between the CPRB and West Virginia University to ensure TRS will receive proper payment if the Legislature approves a Voluntary Separation Incentives Plan for WVU.
15. Executive Director Fleck reported the proposed IRS Normal Retirement Age Regulation was discussed at the June Interim Legislative Pension meeting and

Melody Simpson gave a presentation to the committee on the subject. Executive Director Fleck's report is located behind Tab #2.

**Tab #3: Plans Investment Data**

West Virginia Investment Management Board's (WVIMB) Investment Manager, Tom Sauvageot, reviewed with the Board the Plans Investment Returns for the months of April and May, 2012. The WVIMB investment return reports are behind Tab #3.

Diana Stout reported to the Board the WVIMB received an Institutional Investor Hedge Fund Award and congratulated the WVIMB for receiving the award.

Director Fleck and Chairman Wyant welcomed Amy Heyle, Vice President of Great West, to the meeting.

Kris Morton, Great West Regional Manager, reported the TDC Investment Performance for June was good.

**Tab #4: Consideration of Current Disability Retirement Applications**

Chairman Evans reported the Disability Committee met on June 26, 2012 and makes the following recommendations to the full Board:

<b>System</b>	<b>Approved</b>	<b>Denied</b>	<b>Total</b>
<b>DSRS</b>	1	0	1
<b>EMSRS</b>	1	0	1
<b>PERS</b>	21	5	26
<b>TDC</b>	1	0	1
<b>TRS</b>	6	0	6
<b>TDC/TRS Transfers</b>	3	1	4
<b>TOTAL</b>	<b>33</b>	<b>6</b>	<b>39</b>

Mr. Parsons made a motion the Board accept the Disability Committee's recommendations

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

Chairman Evans made a motion on behalf of the Disability Committee to suspend the DSRS partial non-duty disability effective July 1, 2012 of Eddie Gilkerson for failure to provide the required 2011 annual income verification. If the required information is provided to Board staff within 60 days and if he has not exceeded the earning limitations, then grant staff the authority to reinstate his disability benefits the first day of the month following receipt of the information. If the required information is not provided to the Board staff within 60 days, or if he has exceeded the allowable 2011 earning limitations, then grant staff the authority to permanently terminate his disability benefits. The motion was seconded by Mr. Murray. The motion carried unanimously.

Mr. Bunn asked how many participants are currently on disability in each plan. Executive Director Fleck informed Mr. Bunn he would compile that information and provide to all Board Members.

Chairman Evans informed the Board the Disability Committee has requested staff draft proposed legislation to present to the full Board for approval requiring an EMSRS member to have a minimum of 10 years of contributory service in order to be eligible to apply for a non-duty disability and setting forth EMSRS disability re-certification procedures similar to those in other plans.

Chairman Wyant asked the Board if there was any objection to staff drafting the legislation and reporting back to the Board. No objection was heard. The disability list is behind Tab #4.

**Tab #5: Consideration of Appeals to Hearing Officer's - Jack DeBolt**

Hearing Officer DeBolt addressed the appeal of Scott F. VanMeter on whether or not the Applicant is entitled to convert unused sick leave to additional service credit. It is recommended by Hearing Officer DeBolt the request of Scott F. VanMeter to be permitted to convert unused sick leave to additional retirement benefits be denied.

Chairman Wyant asked the Board if there was a motion to adopt the recommendation of the Hearing Officer and to deny the appeal of Scott F. VanMeter. No motion was heard.

Sergeant Payne made a motion to reject the recommendation of the Hearing Officer and to approve the appeal of Mr. VanMeter. The motion was seconded by Mr. Bunn. There was discussion on the motion. The motion carried unanimously. The report from the Hearing Officer is behind Tab #5.

**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 Less Than Honorable Service cases.

Mr. Fletcher made a motion the Board go into Executive Session to discuss contractual matters, a Less Than Honorable Service (LTHS) case and legal matters as allowed by West Virginia Code §6-9A-4. The motion was seconded by Sergeant Payne. The motion carried unanimously. The Board went into Executive Session at 11:50 a.m.

*Acting Cabinet Secretary Ross Taylor departed the Board Meeting at 12:30 p.m. and Donna Lipscomb took his place as his proxy.*

The Chairman reconvened the Public Session of the June 27, 2012 meeting of the Consolidated Public Retirement Board from Executive Session at 1:25 p.m. Chairman Wyant stated the Board was in Executive Session to discuss contractual matters, a LTHS case and legal 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 #6, Work in Progress Reports from Legal Counsel.

Ms. Legato brought before the Board the LTHS case of Teresa Warner. She announced Ms. Warner was a former member of TRS and was convicted of a felony count of bribery. Ms. Legato recommended to the Board she be disqualified for LTHS.

Mr. Fletcher made a motion to authorize counsel to pursue disqualification of Teresa Warner for LTHS. Mr. Richardson seconded the motion. The motion carried unanimously. The report of 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.

Outside Counsel Chambers requested the Board permit her to work with Director Fleck and Board staff on correcting the Harrison County EMS Squad's erroneous participation in the EMSRS.

Mr. Bunn made a motion to allow Ms. Chambers to work with Director Fleck and Board staff on correcting the Harrison County EMS Squad's erroneous participation in the EMSRS. The motion was seconded by Mr. Murray. The motion carried unanimously. The report of the Outside Counsel is behind Tab #6.

Chairman Wyant announced there were some legal issues discussed during Executive Session and asked the Board if there was a motion on the Stephen Burdette appeal. None was heard.

Chairman Wyant then asked the Board if there was a motion regarding the IRS Normal Retirement Age issue.

Mr. Shawver made a motion for the Board to direct the Executive Director to work with the Pensions Committee of the Legislature in conjunction with the Governor's Office to incorporate the proposed letter provided by Bowles Rice into a response to the IRS; and should the Pensions Committee choose not to incorporate this letter, that the letter go out in final form on Bowles Rice letterhead. The motion was seconded by Mr. Parsons. The motion carried unanimously.

Chairman Wyant announced to the Board the status reports from BRIM Counsel regarding the cases of Dawn Colette Bland v. State of West Virginia and Cheryl Dougherty v. Ramona Cerra, et al., are behind Tab #6 for your review. He announced there have been no changes with these cases since the last report. The BRIM Counsel reports are located behind Tab # 6.

**Tab #7: Committee Updates**

**Computer Systems Update Committee:**

Chairman Fletcher reviewed the Computer Systems Update Committee meeting minutes from May 18, 2012 with the Board and reported the Committee met this morning.

Chairman Fletcher reported the Committee recommends a change order be sent to the Attorney General's office changing the final 30% of Phase II of the L. R. Wechsler contract to: payment upon reissuance of the RFP of 10% (\$15,000, less \$1,500 retainage) and an additional \$22,000 for items to be repeated in Phase II; and payment of 20% (\$30,000) upon the completion of Phase II, in addition to the amounts retained.

Chairman Fletcher made a motion the Board accept the recommendation of the Committee. The motion was seconded by Mr. Bunn. The motion carried unanimously.

#### **Internal Audit Committee**

Director Fleck reported the Internal Audit Committee met yesterday, and Internal Auditor Annamarie Short provided an updated Audit Plan and the Committee discussed the Internal Audit Charter. Ms. Short was asked to revise the Internal Audit Charter and bring to the next Committee meeting. All Committee Updates are located behind Tab # 7.

#### **Tab #8: 2013 Proposed Legislative Rules**

Deputy Director Miller reviewed the proposed changes to Series 1 of Legislative Rule §162 with the Board.

Mr. Richardson made a motion to adopt the proposed changes to Series 1 of Legislative Rule §162. The motion was seconded by Mr. Fletcher. The motion carried unanimously.

Deputy Director Miller reviewed the proposed changes to Series 2 of Legislative Rule §162 with the Board.

Captain Corsaro made a motion to adopt the proposed changes to Series 2 of Legislative Rule §162. The motion was seconded by Ms. Evans. The motion carried unanimously.

Deputy Director Miller reviewed the proposed changes to Series 4 of Legislative Rule §162 with the Board.



Mr. Richardson made a motion to adopt the proposed changes to Series 4 of Legislative Rule §162. The motion was seconded by Mr. Lynch. The motion carried unanimously.

Deputy Director Miller reviewed the proposed changes to Series 5 of Legislative Rule §162 with the Board.

Mr. Richardson made a motion to adopt the proposed changes to Series 5 of Legislative Rule §162 and granted staff the authority to correct technical errors. The motion was seconded by Ms. Evans. The motion carried unanimously.

Deputy Director Miller reviewed the proposed changes to Series 9 of Legislative Rule §162 with the Board.

Mr. Fletcher made a motion to adopt the proposed changes to Series 9 of Legislative Rule §162. The motion was seconded by Mr. Parsons. The motion carried unanimously. The proposed Legislative Rules are located behind Tab #8.

**Tab #9: Other, Old Business**

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

Director Fleck distributed information previously requested during this meeting by Mr. Bunn regarding the number of retirants receiving disability per plan to all Board members.

**Tab #10: Other, New Business**

Chairman Wyant announced there is a PERS Military Petition for David Toup requesting 3 months of service credit from April 1991 through June 1991 during the Persian Gulf War.

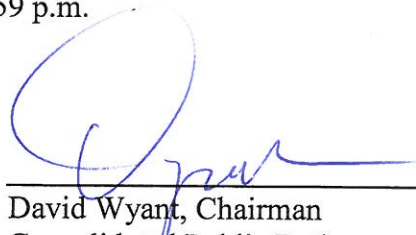
Mr. Richardson made a motion to approve David Toup for 3 months of service credit from April 1991 through June 1991 during the Persian Gulf War. The motion was seconded by Mr. Fletcher. There was discussion on the motion. The motion carried unanimously.

Mr. Fletcher made a motion to extend the Fenwick Technology contract for an additional year. The motion was seconded by Mr. Parsons. The motion carried unanimously.

Mr. Fletcher made a motion to extend the Bowles Rice legal contract for an additional year under the terms discussed in Executive Session. The motion was seconded by Ms. Evans. The motion carried unanimously.

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

Chairman Wyant adjourned the June 27, 2012 public meeting of the West Virginia Consolidated Public Retirement Board at 1:59 p.m.



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David Wyant, Chairman  
Consolidated Public Retirement Board



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Jeffrey E. Fleck, Executive Director  
Consolidated Public Retirement Board