

**MINUTES OF THE  
WV CONSOLIDATED PUBLIC RETIREMENT BOARD  
BOARD OF TRUSTEES MEETING  
MEETING OF AUGUST 26, 2015**

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 11:05 a.m. by Chairman David Wyant.

Roll Call was taken.

Trustees present were:

David Wyant, Esquire, Chairman  
Joseph Garcia, representing Governor *Earl Ray Tomblin*  
Mike Sizemore, *representing Auditor Glen Gainer III*  
Diana Stout, Esquire, *representing Treasurer John Perdue*  
Acting Cabinet Secretary Jason Pizatella  
Andy Bird  
Captain Michael Corsaro  
Joe Lynch  
Andrew Richardson, Esquire  
Jeffrey Vallet

Trustees not present:  
Joseph Bunn, Esquire  
Angela Crank  
D. Todd Murray  
David Stover

A quorum was present.

Due notice had been posted.

Also in attendance were:

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  
Craig Slaughter, WVIMB, Executive Director  
Eric Sanderson, Empower Retirement  
Andrew Wyne, Empower Retirement  
Norm Buckwalter, LRWL  
Tom Zacharias, Deloitte Consultants

Chris Ade, Lord Abbott  
Darden Greene, CPRB Chief Financial Officer  
John Beane, CPRB IT Manager  
Cindy Adkins, CPRB Office Manager  
Susan Estep, CPRB Payroll Supervisor  
Jamie Hardman, CPRB Communications Manager  
Harry Mandel, CPRB Board Actuary  
Steve Stockton, CPRB Chief Compliance Officer  
Paula Vanhorn, CPRB TDC Manager  
Deana Gose, CPRB Uniform Services Manager  
Lisa Trump, CPRB PERS Manager  
Caroline Brady, CPRB PERS Assistant Manager  
Barbara Moss, CPRB TRS Assistant Manager  
Annamarie Short, CPRB Internal Auditor  
Heather Drake, CPRB Administrative Assistant  
Alysia Miller, CPRB Paralegal  
Eric Stringer, CPRB IT Staff  
Melody Bailey, CPRB Actuary Assistant  
Chris Bush, CPRB Uniformed Services  
Torrie Williams, CPRB PERS Membership

**Tab 1: Approval of the July 15, 2015 Meeting Minutes**

Mr. Vallet made a motion to approve the minutes of the July 15, 2015 meeting of the CPRB. The motion was seconded by Captain Corsaro. The motion carried unanimously.

The minutes are located behind Tab 1.

*Ms. Crank arrived to the meeting at 11:06 a.m.*

**Tab 2: Reports of the Chairman and Executive Director**

The Board heard the report from Deputy Director Terasa Miller which included the following information:

1. Deputy Director Miller reported on the July 2015 Teachers' Retirement System (TRS) and Public Employees Retirement System (PERS) retirement and estimate numbers. She reported there were 131 TRS Estimates and 30 Retirements and in PERS there were 275 Estimates and 102 Retirements.
2. Deputy Director Miller announced that Executive Director Fleck had reported at the last Board Meeting that the Department of Administration's Employee of the Month for June was Lionel Adams, who works in our I. T. Division.
3. Deputy Director Miller announced that also in the June article of Quotes, Notes and Antidotes there was an article on the State Employees with 20 and over of years of service to the State, she was proud to announce that Candi Kinslow, newly married,

has 21 years of service with the State and Cindy Adkins has 20 years. Deputy Director Miller thanked them for all of their loyal and dedicated service to the State of West Virginia and the CPRB.

4. Deputy Director Miller reviewed the PERS Retirement Seminars with the Board. She announced there were a total of 705 in attendance and we received 352 surveys from those meetings, which were marked excellent or good.
5. Deputy Director Miller reported on the Teachers' Defined Contribution (TDC) 2015 Educational Meetings. She announced there have been a total of 52 meetings so far this year, with 203 in attendance. She reported on the TDC Reality Investing statistics. She announced that TDC has a total of 4,640 participants and \$420,653,981 in total assets.
6. Deputy Director Miller reported on the Delinquent Employers list.
7. Deputy Director Miller provided the Board an update of the COMPASS project; she announced the COMPASS project is 53% complete of the overall project status and we should go live in November or December of this year.
8. Deputy Director Miller announced that the CPRB has won the Government Finance Officers Association (GFOA) Award again this year for the year ending June 2014 for the Certificate of Achievement of Excellence in Financial Reporting (CAFR).
9. Deputy Director Miller reported that the CPRB has sent out letters to all participating employers in PERS of the potential 1% increase, from 13.5% to 14.5% of the employer contribution rates which will take place on July 1, 2016. She announced the state budget office was notified as well, in order to assist in their budget process.
10. Deputy Director Miller reported on the historical PERS & TRS Retirements, she announced for the Fiscal Year of 2014 – 2015 we retired 1,610 retirees in PERS; she announced this was a record and the highest number of retirees in over 18 years. In TRS, there were 1,826 retirements for the Fiscal Year of 2014 – 2015. She announced the CPRB only has 6 retirement advisors to assist all of the retirees and potential retirees.
11. Deputy Director Miller then reviewed the historical PERS & TRS Estimates. She announced for the Fiscal Year of 2014 – 2015 we prepared 2,888 estimates in PERS and 1,404 estimates in TRS.

12. Deputy Director Miller announced to the Board that the CPRB now has Tier II brochures for PERS and TRS.
13. Deputy Director Miller informed the Board that Steve Stockton our Compliance Officer has taken a new job with the Tax Department and we will now have a vacancy for his position and we wish him well.
14. Deputy Director Miller announced that she will have one item for Executive Session, the CPRB's In-House legal services contract.
15. Deputy Director Miller reviewed the July 2015 CPRB Financials; she announced that as of July 31, 2015, we are at 44.23% percent of our monthly budget.
16. Deputy Director Miller provided an update to the Board regarding GASB 68; she announced Harry Mandel, Board Actuary, and Darden Greene, CFO, are working with Gibbons & Kawash and we have placed the GASB 68 information on our website for all of our customers.

**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 the period ending June 30, 2015.

Eric Sanderson, Empower Retirement, reviewed the TDC Investment Funds for the Board.

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

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

Captain Corsaro reported the Disability Committee met on August 25, 2015, and the Committee makes the following recommendations to the Board:

<b>System</b>	<b>Approved</b>	<b>Denied</b>	<b>Total</b>
<b>DSRS-Total Duty</b>	1	0	1
<b>DSRS-Total Non-Duty</b>	1	0	1
<b>DSRS-Partial</b>	1	0	1

<b>Non-duty</b>			
<b>EMSRS-Non-Duty</b>	1	0	1
<b>PERS</b>	9	0	9
<b>TDC</b>	2	0	2
<b>TRS</b>	2	0	2
<b>TRS (TDC Transfers)</b>	6	0	6
<b>TOTAL</b>	<b>23</b>	<b>0</b>	<b>23</b>

Ms. Crank 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.

The disability list is located behind Tab 4.

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

Hearing Officer Jack DeBolt reviewed the appeal of Ruth Ann Marino, as to whether or not the Applicant is entitled to have reinstated certain service credit previously disallowed; whether or not this Board is estopped from denying the Applicant the previously disallowed service credit; and whether or not general principles of equity require the reinstatement of the previously disallowed service credit in the Public Employees Retirement System (PERS).

Hearing Officer DeBolt recommended that the request of Ruth Ann Marino to reinstate her lost service credit be denied.

Captain Corsaro made a motion to adopt the recommendation of the Hearing Officer and deny the appeal of Ruth Ann Marino. Mr. Lynch seconded the motion. There was discussion on the motion. The motion carried unanimously.

The Appeals are located behind Tab 5.

**Tab 6: Legal Counsel Reports**

Chairman Wyant announced that pursuant to Board practice, he would now entertain a

motion to go into Executive Session to discuss a legal and contractual matter.

Mr. Lynch made a motion the Board go into Executive Session to discuss a legal and contractual matter 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 11:36 a.m.

Chairman Wyant reconvened the Public Session of the August 26, 2015 meeting of the CPRB from Executive Session at 12:10 p.m. Chairman Wyant announced the Board was in Executive Session to discuss a legal and contractual matter as allowed by West Virginia Code §6-9A-4. He announced there were no decisions made during Executive Session and we will now return to Tab #6 on the Agenda, Legal Counsel Reports.

#### **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 updated the Board on the case of *W.Va. Investment Management Board, et. al., v. the Variable Annuity Life Insurance Company of America*. Ms. Chambers announced that a scheduling order has now been issued for March 22, 2016 and we are now engaged in additional discovery.

Ms. Chambers updated the Board on the case of *Patricia Jones v. CPRB and Judy Vannoy Akers*. She announced the Petitioner is seeking yet another amended QDRO.

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

Deputy Director Miller reviewed for the Board the report from Pullin, Fowler, Flanagan, Brown & Poe on the case of *Cheryl Dougherty, et al. v. CPRB et al.* Deputy Director Miller reported there are 2,409 potential class members that have been identified for settlement purposes. Notices of the litigation and the settlement were mailed to these individuals on August 24, 2015, the potential class members have thirty days to opt in or opt out of the settlement. The Court has scheduled a meeting on September 1, 2015 to discuss the language for the Order regarding Class

Certification where the parties are still unable to agree on.

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

Deputy Director Miller reviewed with the Board the report from Shuman, McCuskey & Slicer on the case of Manuel Cartelle v. City of Beckley and CPRB. She announced there has been nothing new in this case so far. The motion to dismiss us from this case has been unsuccessful.

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

### **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 updated the Board on the LTHS case of Gerald Bonnell; on March 20, 2015, a PERS member and former city of Salem road crew supervisor was convicted of the felony offense of conspiracy to commit possession of a telecommunication device by an inmate. During the April 2015 Board meeting, the Board moved to disqualify him from participating in PERS because he rendered *Less Than Honorable Service (LTHS)*. Ms. Legato informed the Board that Mr. Bonnell has requested a *Judicial Determination* of the Board's decision. She announced that on August 3, 2015, we filed a Petition for Pension Disqualification in the Circuit Court of Kanawha County. The case has been assigned to Judge Tabit.

Ms. Legato reviewed the LTHS case of Rex Toney, a TRS member and former Lincoln County bus driver, who entered a plea of guilty to the felony offense of *Sexual Abuse in the First Degree*. During the April 2015 Board meeting, the Board moved to disqualify him from participating in TRS because he rendered *Less Than Honorable Service (LTHS)*. Ms. Legato announced that Mr. Toney has also requested a *Judicial Determination* of the Board's Decision. She announced that on August 3, 2015, we filed a Petition for Pension Disqualification in the Circuit Court of Kanawha County. The case has been assigned to Judge Kaufman.

Ms. Legato announced to the Board the Arden Curry, II, PERS eligibility appeal is

scheduled to go before the Supreme Court on September 2, 2015 for Rule 20 Oral Argument and that she will be arguing this case at 10:00 a.m.

Ms. Legato reviewed the case of the Cynthia Ringel-Williams v. CPRB. Ms. Legato reviewed the Court Order Affirming the Boards Final Order. Ms. Ringel-Williams has appealed the decision to the Supreme Court. On June 26, 2015, Mr. Katz filed a brief in support of the petitioner. Our response brief was due on August 10, 2015 and we filed our brief on August 3, 2015. If opposing counsel has filed a reply brief, we have not received a copy of it.

Ms. Legato reviewed the case of the Russell Grimmitt v. CPRB. Ms. Legato announced opposing counsel's response brief is due on August 11, 2015, and our reply to their response is due on August 25, 2015. Ms. Legato announced Oral Argument has been scheduled for September 10, 2015 at 10:00 a.m., and our response brief was filed yesterday, August 25, 2015. This case is assigned to Judge Bloom.

We have one Circuit Court Order since the last Board Meeting in the case of Lewis, Corbin, McDonald & Pappas v CPRB. On August 6, 2015, Judge Webster entered an Order which reversed the Board's Final Order. The Board has until September 7, 2015 to file a Notice of Appeal.

Mr. Richardson made a motion that Board Counsel seek an Order from the Circuit Court for an Amended Order that includes a finding that the Petitioners are eligible to participate in the TDC or TRS on the basis of a grievance order that classified them as full-time employees; and further move that the Board would provide discretion to (Ms. Legato) and the Chairman in the interim, while we are not meeting, to determine whether a Notice of Appeal to the Supreme Court is appropriate. The Notice of Appeal must be filed by September 7, 2015. The motion was seconded by Captain Corsaro. The motion carried unanimously.

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

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

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

Ms. Stout announced she was the Acting Chairman of the A&I Committee this morning.



She announced the Committee met and reviewed some of the investments regarding the TDC Revenue Sharing and Returns, but did not take any action.

**Internal Audit Committee**

Chairman Pizatella announced the Internal Audit Committee met yesterday and reviewed audit reports, in partnership with the State Auditor's Office, for the Mingo County Commission and the Town of Rivesville and the Committee accepted the two audit reports.

The minutes of the Committees 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 10: Other, New Business**

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

Chairman Wyant announced that he had one item for new business; he announced our contract with our In-House Legal Counsel, Ms. Legato who is a contractual lawyer with the CPRB, expires as of October 31, 2015.

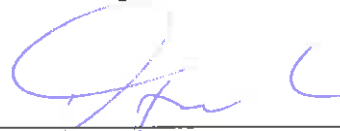
Chairman Wyant announced, for the record, there was also a letter sent to us by our In-House Counsel, Ms. Legato, suggesting that she would like to continue to participate with the CPRB for five more years. She suggested a monetary figure in that letter.

Chairman Wyant asked if there was a motion from the Board with regard to Ms. Legato's contract.

Mr. Garcia made a motion the Board provide a new contract for Ms. Legato, CPRB's In-House Legal Counsel, with the salary of \$107,500.00 yearly and she would have the opportunity in those 5 years to seek a renegotiation of the contract. The motion was seconded by Ms. Stout. There was discussion on the motion. The motion carried unanimously.

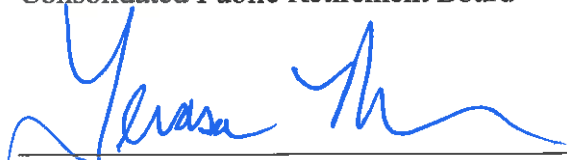
Chairman Wyant asked if there was any other new business to bring before the Board. None was heard.

Chairman Wyant adjourned the August 26, 2015 meeting of the West Virginia Consolidated Public Retirement Board (CPRB) at 12:25 p.m.



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David Wyant, Chairman  
Consolidated Public Retirement Board



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Terasa L. Miller, Deputy Director  
Consolidated Public Retirement Board