

**MINUTES OF THE
WV CONSOLIDATED PUBLIC RETIREMENT BOARD
BOARD OF TRUSTEES MEETING
MEETING OF AUGUST 31, 2016**

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 10:02 a.m. by Chairman David Wyant.

Roll Call was taken.

Trustees present were:

David Wyant, Esquire, Chairman
Brittany Vascik, Esquire, representing Governor *Earl Ray Tomblin*
Jeff Waybright, *representing Auditor Lisa Hopkins*
Diana Stout, Esquire, *representing Treasurer John Perdue*
Acting Cabinet Secretary Mary Jane Pickens
Andy Bird
Joseph Bunn, Esquire
Captain Michael Corsaro
Angela Crank
Michael Haney
Mike McKown
Jeffrey Vallet

Trustees not present:

Joe Lynch
D. Todd Murray
David Stover

A quorum was present.

Due notice had been posted.

Also in attendance were:

Jeffrey E. Fleck, CPRB Executive Director
Terasa Miller, CPRB Deputy Director
Jeaneen Legato, Esquire, CPRB General Counsel
Lenna Chambers, Esquire, Bowles Rice
John Beane, CPRB IT Manager
Darden Greene, CPRB Chief Financial Officer
Annamarie Short, CPRB Chief Compliance Officer
Harry Mandel, CPRB Board Actuary
Melody Bailey, CPRB Actuary Assistant
Tina Baker, CPRB Internal Auditor

Heather Drake, CPRB Administrative Assistant
Alysia Miller, CPRB Paralegal
Eric Stringer, CPRB IT Staff
Caroline Brady, CPRB PERS Assistant Manager
Craig Slaughter, Executive Director, WVIMB
Eric Sanderson, Empower Retirement
Chris Meadows, Empower Retirement
Danette Rausch, Empower Retirement
Tom Zacharias, Deloitte Consultants
Phil Kabler, Charleston Gazette

Tab 1: Approval of the July 20, 2016 Meeting Minutes

Mr. Vallet made a motion to approve the minutes of the July 20, 2016 meeting of the CPRB. The motion was seconded by Mr. Waybright. The motion carried unanimously.

The minutes are located behind Tab #1.

Tab 2: Reports of the Chairman and Executive Director

1. Executive Director Fleck reported on the July 2016 Teachers' Retirement System (TRS) and Public Employees Retirement System (PERS) retirements and requested estimate numbers. He reported for July there were 83 TRS Estimates and 522 Retirements and in PERS there were 125 Estimates and 98 Retirements.
2. Executive Director Fleck announced the CPRB's 25th Anniversary Celebration was in the August 2016 edition of Quotes, Notes & Anecdotes.
3. Executive Director Fleck reported on the Teachers' Defined Contribution (TDC) 2016 Educational Meetings. He announced everyone should have received a post-card which introduced Chris Meadows as the new educational representative for the TDC Plan. He announced there have been a total of 48 meetings so far this year in TDC, with 582 in attendance. He announced in the TDC Reality Investing Statistics as of July 31, 2016, there were a total of 4,488 participants and \$433,350,909 in total assets.
4. Executive Director Fleck reported on all of the Delinquent Employers. He announced Green Acres Reginal Center continues to make their payments as per the agreement. Mingo County PSD has now paid their Employee Contributions in full and we have received some of their past Employer Contributions in the amount of \$23,601.10, but they still owe \$51,161.87 in Employer Contributions. The City of Thomas has caught up on their Employee Contributions, but we are still waiting

- for payment of their Employer Contributions that go back to August of 2015.
5. Executive Director Fleck provided the Board an update of the COMPASS project. He announced the COMPASS project is now 74% complete of the overall project status. He announced after the Change Order that was approved to extend the length of the project, the new date to Go-Live with Phase 4B of the project for the Active Employees and Employer Reporting is set for March 31, 2017.
 6. Executive Director Fleck reviewed the Public Employees Retirement System (PERS) Employers Contribution Estimate Letters. He announced Harry Mandel, Board Actuary, generates this information as early as possible so employers can plan for their budget process. He announced and emphasized this is a preliminary estimate of what the employer contribution rate will be and it has been determined by our actuary that the percentage rate will increase from 12% to 12.5%, effective July 1, 2017.
 7. Executive Director Fleck reviewed the 2016 PERS Retirement Seminars. He announced there were a total of 3 meetings held here at the CPRB with 186 total in attendance. We received a lot of positive feedback from the surveys we provided and out of those 186 attendees we received a 97% rating as either excellent or good. He announced during the August 2, 2016 seminar, we recorded that meeting and are currently in the process of adding that seminar to our webpage for members who cannot make it to the seminars.
 8. Executive Director Fleck reviewed the CPRB's July 2016 financials with the Board. He announced that as of July 31, 2016, we were at 20.36% of budget.
 9. Executive Director Fleck announced he had items for discussion during Executive Session: Renewal of the Empower/Great West Contract and to award a Contract to LexisNexis for our code books.
 10. Executive Director Fleck gave an update on the Financial Audit RFQ. He announced we should have a recommendation at the next Board Meeting.
 11. Executive Director Fleck reported on the Legislative Update. He announced the CPRB was not requested to attend any meetings during the August Interims.
 12. Executive Director Fleck announced that the 2016 Fiduciary Training will take place at 10:00 a.m., before the October 12, 2016 Board Meeting and will be presented by Tom Heywood of Bowles Rice Law Firm. He announced the Board Meeting will begin at 11:00 a.m., immediately following the Fiduciary Training.

13. Executive Director Fleck announced the CPRB is having issues with the OASIS System as it pertains to a number of topics. He announced there will be a meeting held tomorrow, September 1, 2016 to discuss these issues with Oasis officials.

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 the Plan’s Investment Returns for July 31, 2016 for the Board.

Eric Sanderson, Empower Retirement introduced Danette Rausch, Empower Retirement, who is the Assistant Vice President of Partner Strategy. He informed the Board that the post-card went out today to all participants in the TDC Plan, introducing Chris Meadows as the new Educational Representative.

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 30, 2016. The Committee approved and makes the following recommendations to the Board for their approval:

System	Approved	Denied	Total
PERS	14	2	16
State Police Plan B	1- Partial Duty	0	1- Partial Duty
TDC	1	0	1
TRS	1	0	1
TRS (TDC Transfers)	6	3	9
TOTAL	23	5	28

Acting Cabinet Secretary Pickens made a motion the Board accept and approve the Disability Committee’s recommendations concerning the disability retirement applications. The motion was seconded by Mr. Bunn. The motion carried unanimously.

The Disability list is located behind Tab #4.

Tab 5: Legal Counsel Reports

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

Mr. Bunn made a motion the Board go into Executive Session to discuss legal and contractual matters 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 10:20 a.m.

Chairman Wyant reconvened the Public Session of the August 31, 2016 meeting of the CPRB from Executive Session at 10:46 a.m. Chairman Wyant announced the Board was in Executive Session to discuss legal and contractual matters as allowed by West Virginia Code §6-9A-4. He announced there were no decisions made during Executive Session.

Chairman Wyant moved the agenda back to address Tab #2, Reports of the Chairman and Executive Director.

Executive Director Fleck reviewed the LexisNexis contract. He announced the contract would include printing the CPRB's Laws and Rules Code Books for one year, with three, one year renewals for a total of four years and the cost would be \$84,568.75.

Captain Corsaro made a motion to approve the LexisNexis contract for \$84,568.75 to include printing the CPRB's Code Books for one year, with three, one year renewals for a total of four years. The motion was seconded by Mr. Bunn. The motion carried unanimously.

Executive Director Fleck reviewed the Empower/Great West contract renewal for one year under the same terms and conditions from the original contract.

Ms. Stout made a motion to approve the Empower/Great West contract renewal for one year under the same terms and conditions from the original contract. The motion was seconded by Mr. Vallet. The motion carried unanimously.

Chairman Wyant moved the agenda back to address Tab #5, Legal Counsel Reports.

Tab 5: Legal Counsel Reports

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 Less than Honorable Service (LTHS) case of William R. Smallwood. She announced Judge Stucky entered an Order appointing attorney Sandi Bullman as Guardian Ad Litem for Mr. Smallwood, due to his incarceration. She informed the Board that due to a scheduling conflict by the opposing counsel, the hearing has been continued.

Ms. Legato updated the Board on the case of Rex Toney v. CPRB. She announced opposing counsel filed a Petition for Appeal with the West Virginia Supreme Court. She announced on August 5, 2016, opposing counsel filed a *Motion to Extend Time for Filing of Petitioner's Brief and Appendix*. On August 8, 2016, opposing counsel filed *Petitioner's Brief*.

Ms. Legato updated the Board on the case of Ollie Hunting v. CPRB. She announced on July 20, 2016, the Supreme Court entered a Scheduling Order. The CPRB's brief is due on October 7, 2016 and Mr. Hunting's brief is due on November 21, 2016 or within forty-five days after the filing of our brief.

The report of the In-House Legal Counsel is located behind Tab # 5.

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 reviewed the ongoing case of IMB and CPRB v. VALIC. She reported the pre-trial will begin on September 19, 2016, and the trial should begin on September 20, 2016.

Ms. Chambers reviewed the case of Patricia Jones v. CPRB and Judy Vannoy Akers. She announced we have submitted another copy of the CPRB's proposed Dismissal Order for approval

by both counsels; no response has been received to this date.

Ms. Chambers reviewed the Appeal of Allen E. Tackett v. CPRB. She announced on August 22, 2016, we received a copy of a Petition for Writ of Mandamus filed by the Petitioner in the Supreme Court of Appeals against Judge Carrie Webster, asking that the Supreme Court order Judge Webster to issue a ruling in this case.

The report of Outside Legal Counsel is located behind Tab #5.

Tab 6: Committee Reports

Accounting and Investment Committee

Mr. Bunn announced the A& I Committee met this morning. Mr. Bunn reviewed the PIMCO Total Return Fund with the Board. He announced the PIMCO Total Return Fund has been on the watch list for quite some time; the Committee evaluated it this morning and decided to replace this fund with the Western Asset Core Plus Bond A Fund.

Mr. Bunn made a motion the Board adopt the A&I Committee's recommendation to replace the PIMCO Total Return Fund with the Western Asset Core Plus Bond A Fund. Ms. Stout seconded the motion. There was discussion on the motion. The motion carried unanimously.

The minutes of the A & I Committee are located behind Tab #6.

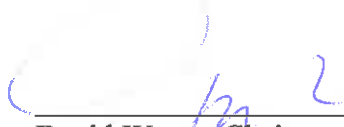
Tab 7: Other, Old Business

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

Tab 8: Other, New Business

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

Chairman Wyant adjourned the meeting of the West Virginia Consolidated Public Retirement Board (CPRB) on August 31, 2016 at 10:55 a.m.



David Wyant, Chairman
Consolidated Public Retirement Board



Jeffrey E. Fleck, Executive Director
Consolidated Public Retirement Board