

**MINUTES OF THE  
WV CONSOLIDATED PUBLIC RETIREMENT BOARD  
BOARD OF TRUSTEES MEETING  
MEETING OF AUGUST 8, 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 10:03 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*  
Mike Sizemore, *representing Auditor Glen Gainer III*  
Diana Stout, *representing Treasurer John Perdue*  
Acting Cabinet Secretary Ross Taylor  
Captain Michael Corsaro  
Drema Evans  
David Fletcher  
Joe Lynch  
Sergeant Tony Payne  
Andrew Richardson, Esquire

Trustees not present:

Thomas Bradley  
Joseph Bunn, Esquire  
Todd Murray

A quorum was present.

Due notice had been posted.

Also in attendance were:

Terasa L. Miller, CPRB Deputy Director  
Candi Moore, CPRB Executive Assistant  
Jeaneen Legato, Esquire, CPRB General Counsel  
Lenna Chambers, Esquire, Bowles Rice  
Jack DeBolt, Esquire, Hearing Officer  
Anne Charnock, Hearing Officer  
Kris Morton, Great West Regional Manager  
Andrew Wyne, Great West Outreach Officer  
Donna Lipscomb, Department of Administration  
Tom Saguageot, WV Investment Management Board  
Lesley Cruickshank, Governor's Office  
Phil Summer, TSG  
Don Parr, Deloitte Consultants  
Misty Peal, WVEA  
J. Darden Greene, CPRB Chief Financial Officer  
Steve Stockton, CPRB Chief Compliance Officer  
Cindy Boyd, CPRB Project Manager

Harry Mandel, CPRB Actuary  
Melody Bailey, Actuary Analyst  
Annamarie Short, CPRB Internal Auditor  
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  
Torrie Williams, CPRB PERS Staff

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

Mr. Shawver made a motion to approve the June 27, 2012 minutes of the CPRB. The motion was seconded by Mr. Fletcher. The motion carried unanimously. The minutes are located behind Tab #1.

*Board Member Joe Bunn arrived at 10:05 a.m.*

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

Chairman Wyant announced to the Board that Executive Director Fleck is attending the NASRA Conference and Deputy Director Miller will be giving the Director's report to the Board.

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

1. June and July 2012 Teachers' Retirement System (TRS) and Public Employees Retirement System (PERS) retirement numbers and estimates for the CPRB.
2. Deputy Director Miller informed the Board the CPRB's Chief IT Officer, Barbara Haddad, has retired.
3. Deputy Director Miller informed the Board Tammy White, TRS Retirement Advisor, is the August Department of Administration Employee of the Month.
4. Deputy Director Miller reviewed with the Board all of the delinquent employers in PERS and Uniformed Services. The Town of Pratt Water Works is delinquent in the amount of \$36,662.93 and Green Acres Regional Center is current on their July payments.
5. Deputy Director Miller reviewed with the Board the public comment letter prepared by Bowles Rice regarding the proposed IRS Normal Retirement Age Regulations.
6. Deputy Director Miller reported the Deputy Sheriff Retirement System (DSRS) annual statements will be mailed next week.

7. Deputy Director Miller reviewed with the Board the TDC Educational Meetings.
8. Deputy Director Miller reviewed with the Board the TDC Reality Investing statistics as of July 2, 2012. The total TDC assets are \$310,068,271 with 5,152 TDC members.
9. Deputy Director Miller reviewed with the Board on the TRS and TDC Fall Outreach Schedule.
10. Deputy Director Miller reviewed with the Board the CPRB June 2012 Financials. As of June 30, 2012, the end of the fiscal year, CPRB was 55.39% of budget, and the carry forward amount will be dedicated to the new computer system.
11. Deputy Director Miller also reviewed the CPRB July 2012 Financials. The CPRB is 5.08% of budget as of July 31, 2012.
12. Deputy Director Miller announced the annual financial audit by Gibbons & Kawash has begun. Gibbons & Kawash contract will need to be amended by \$7,000 in order for them to do the additional work necessary for an inaugural Comprehensive Annual Financial Report (CAFR). Darden Greene, CFO, is working out all the details.
13. Deputy Director Miller updated the Board on the Computer System RFP. The proposed RFP will be presented by the Computer Review Committee at the September Board meeting.
14. Deputy Director Miller informed the Board the CPRB will have the DSRS and Trooper Experience Study ready for the Actuarial Assumptions Review Committee and September Board meeting.
15. Deputy Director Miller informed the Board on the Legislative Update from the July 2012 Legislative Interims. The Memorandum of Understanding (MOU) between the CPRB and West Virginia University (WVU) has been signed and will ensure TRS will receive proper payment pertaining to the Legislative approved Voluntary Separation Incentive Plan for WVU.
16. Deputy Director Miller reviewed with the Board the statistical retirement and estimate numbers, year ending Fiscal Year 2012. Deputy Director Miller'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 month ending June 30,

2012.

Kris Morton, Great West Regional Manager, reported the TDC Investment Performance as of June 30, 2012. The Investment Data reports are located behind Tab #3.

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

Chairman Evans reported the Disability Committee met on August 7, 2012 and makes the following recommendations to the full Board:

| <b>System</b>                   | <b>Approved</b> | <b>Denied</b> | <b>Total</b> |
|---------------------------------|-----------------|---------------|--------------|
| <b>EMSRS</b>                    | 1               | 0             | 1            |
| <b>PERS</b>                     | 8               | 3             | 11           |
| <b>SP-Plan B</b>                | 1               | 0             | 1            |
| <b>TDC</b>                      | 1               | 0             | 1            |
| <b>TRS</b>                      | 2               | 0             | 2            |
| <b>TRS</b><br>(TDC Transferees) | 5               | 0             | 5            |
| <b>TOTAL</b>                    | <b>18</b>       | <b>3</b>      | <b>21</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. Richardson. The motion carried unanimously. The disability list is behind Tab #4.

**Tab #5: Consideration of Appeals to Hearing Officers - Jack DeBolt & Anne Charnock**

Mr. Shawver made a motion the Board go into Executive Session to discuss medical issues and legal matters 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 10:22 a.m.

The Chairman reconvened the Public Session of the August 8, 2012 meeting of the Consolidated Public Retirement Board from Executive Session at 11:10 a.m. Chairman Wyant stated the Board was in Executive Session to discuss medical issues 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 #5, Consideration of Appeals to Hearing Officers.

Hearing Officer Charnock addressed the appeal of DSRS member, Deanna Saxton on whether the Board was correct to deny Applicant's request for total non-duty disability retirement. It is recommended by Hearing Officer Charnock that Deanna Saxton's appeal requesting total non-duty disability should be denied and the decision of the Board to grant partial non-duty disability retirement affirmed.

Captain Corsaro made a motion to accept the recommendation of Hearing Officer Charnock to deny the total non-duty disability appeal of Deanna Saxton and grant partial non-duty disability. The motion was seconded by Mr. Bunn. The motion carried unanimously.

Hearing Officer DeBolt addressed the appeal of Wendy A. Imperial on whether or not the Applicant is eligible for TRS participation for her employment from December 1984 through the end of the 1988-89 school years. It is recommended by Hearing Officer DeBolt that the request of Wendy A. Imperial to acquire service credit in TRS for periods when hired as a substitute teacher be denied.

Mr. Fletcher made a motion to accept the recommendation of Hearing Officer DeBolt and deny the appeal of Wendy A. Imperial to acquire service credit in TRS for periods when hired as a substitute teacher. The motion was seconded by Mr. Richardson. There was discussion on the motion and the motion carried unanimously.

Hearing Officer DeBolt addressed the appeal of Patricia J. Lawson on whether or not the Applicant is eligible to purchase service credit for employment as a temporary Legislative employee from December 2007 through March 2008. It is recommended by Hearing Officer DeBolt the request of Patricia J. Lawson to acquire service credit for her temporary Legislative employment be denied.

Mr. Richardson made a motion to accept the recommendation of Hearing Officer DeBolt and deny the appeal of Patricia J. Lawson to acquire service credit for her temporary Legislative employment. The motion was seconded by Captain Corsaro. There was discussion on the motion and the motion carried unanimously. The reports from the Hearing Officers are behind Tab #5.

#### **Tab #6: Work in Progress Reports from Legal Counsel**

In-House Legal Counsel Jeaneen Legato presented her report with the Board on all pending legal matters. She reported on all current Administrative, Circuit Court, Supreme Court and Less Than Honorable Service cases.

Ms. Legato reviewed with the Board the Town of Pratt Water Works delinquency in paying employee and employer retirement contributions in the amount of \$36,662.93, which includes delinquency fees of approximately \$5,000. Ms. Legato and Deputy Director Miller attended the Town of Pratt Board Water Works Board meeting last night and received a check in the amount of \$1,388.00.

Ms. Legato informed the Board they have the authority to take legal action on this matter, and recommended the board pursue legal action against the Town of Pratt Water Works.

Mr. Bunn made a motion to authorize Ms. Legato to research the issue and if research warrants, to file a Writ of Mandamus against the Town of Pratt Water Works instructing them to pay the amount outstanding or in the alternative to file a civil action within approximately 10 days. The motion was seconded by Mr. Richardson. The motion carried unanimously.

Ms. Legato recommended the Board direct CPRB staff to propose legislation to include a successor liability statute similar to the Tax Department and other agencies which would ensure the successor of an entity taken over would be responsible for the liability of the predecessor.

Chairman Wyant asked the Board if they had any objection to directing the staff to propose legislation and bring it back to the board for approval. No objection was heard. 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. The report of Outside Counsel is behind Tab #6.

Chairman Wyant announced to the Board the status reports from Board of Risk and Insurance Management (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. Deputy Director Miller reviewed the reports with the Board.

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

**A & I Committee:**

Chairman Fletcher reported the A & I Committee meeting minutes of May 23, 2012 are in the Board books and reported the Committee met this morning. The Committee considered and recommends TDC Revenue Sharing Account Spend Down Options through: 1.) instituting a one year TDC Administrative Fee Holiday (\$15 per quarter); and 2.) a one year free look period for Managed Accounts (Reality Investing).

Chairman Fletcher made a motion the Board approve a TDC Administrative Fee Holiday effective July 1, 2012 for one year. Ms. Stout seconded the motion. The motion carried unanimously.

Chairman Fletcher made a motion to have a one year free look period for the Managed Accounts (Reality Investing) beginning January 1, 2013 for all participants in the TDC to be paid from the TDC Revenue Sharing Account. The motion was seconded by Captain Corsaro. There was discussion on the motion. The motion carried with Mr. Bunn voting no. The Committee Update is located behind Tab # 7.

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

Deputy Director Miller announced to the Board there were no public comments received on the proposed Legislative rules. Staff will proceed in filing the proposed Legislative rules.

**Tab #9: 2013 Proposed EMSRS Legislation**

Deputy Director Miller reviewed the 2013 EMSRS proposed legislation regarding disability and medical recertification with the Board.

Mr. Lynch made a motion to approve the 2013 proposed EMSRS legislation and submit it to the Legislature. The motion was seconded by Mr. Fletcher. There was discussion and the motion carried unanimously. The proposed EMSRS legislation is located behind Tab #9.

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

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

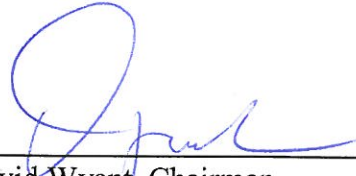
**Tab #11: Other, New Business**

Chairman Wyant announced he would like to make changes to the Actuarial Assumptions

Committee. He announced he is removing Committee Members Ms. Evans, Mr. Fletcher and Mr. Lynch from the Actuarial Assumptions Committee and adding Captain Corsaro, Mr. Murray and Sergeant Payne to the Committee.

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

Chairman Wyant adjourned the August 8, 2012 public meeting of the West Virginia Consolidated Public Retirement Board at 12:05 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