

**MINUTES OF THE
WV CONSOLIDATED PUBLIC RETIREMENT BOARD
BOARD OF TRUSTEES MEETING
MEETING OF APRIL 13, 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 10:01 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*
Mike Sizemore, *representing Auditor Glen Gainer III*
Diana Stout, Esquire, *representing Treasurer John Perdue*
Acting Cabinet Secretary Mary Jane Pickens
Andy Bird
Captain Michael Corsaro
Angela Crank
Michael Haney
Mike McKown
Jeffrey Vallet

Trustees not present:

Joseph Bunn, Esquire
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
Candi Kinslow, CPRB Executive Assistant
Jeaneen Legato, Esquire, CPRB General Counsel
Lenna Chambers, Esquire, Bowles Rice
Jack DeBolt, CPRB Hearing Officer
John Beane, CPRB IT Manager
Darden Greene, CPRB Chief Financial Officer
Annamarie Short, CPRB Chief Compliance Officer
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
Chris Bush, CPRB Uniformed Services
Eric Sanderson, Empower Retirement
Bob Denyer, Gibbons & Kawash
Anthony Carpenter, Gibbons & Kawash
Tom Zacharias, Deloitte Consultants
Diane Williams, Appellant
Deb Rumei, Citizen
Sherry L. Richards, Appellant

Tab 1: Approval of the March 2, 2016 Meeting Minutes

Mr. Vallet made a motion to approve the minutes of the March 2, 2016 meeting of the CPRB. The motion was seconded by Captain Corsaro. 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 February and March 2016 Teachers' Retirement System (TRS) and Public Employees Retirement System (PERS) retirement and estimate numbers. He reported for February there were 62 TRS Estimates and 111 Retirements and in PERS there were 118 Estimates and 179 Retirements. He reported for March there were 98 TRS Estimates and 45 Retirements and in PERS there were 148 Estimates and 179 Retirements.
2. Executive Director Fleck reported on the Teachers' Defined Contribution (TDC) 2016 Educational Meetings. He announced there have been a total of 23 meetings so far this year, with 252 in attendance. He reported on the TDC Reality Investing statistics. He announced that TDC has a total of 4,552 participants and \$396,484,737 in total assets.
3. Executive Director Fleck reviewed the Spring Edition of the 2016 TDC Financial Footnotes.
4. Executive Director Fleck reported on all of the Delinquent Employers.
5. Executive Director Fleck provided the Board an update of the COMPASS project. He announced the COMPASS project is now 79% complete of the overall project status. He reported that two payrolls have been processed out of the COMPASS System so far and that we were getting ready to send out the third payroll. He announced self-service letters were mailed out to retirees explaining how to use

COMPASS and how to sign up on the Self Service portal. Director Fleck announced that so far, we have approximately 1,700 retirees registered on our new Self Service portal and more are signing up every week.

6. Executive Director Fleck announced that our TRS Pension Press and PERS Annual Statements have all been mailed out.
7. Executive Director Fleck reviewed the CPRB's March 2016 financials with the Board. He announced that as of March 31, 2016, we are at 111.84% of budget.
8. Executive Director Fleck reported on the Legislative Update. He reviewed all of the Legislation that passed the Legislature in the 2016 Legislative Session that pertains to the CPRB:

House Bill 4487, a PERS and TRS bill; to correct items inadvertently changed in SB529, enacted during the 2015 Regular Session. He announced, this bill is effective 90 days from passage and was signed by the Governor on March 21, 2016.

Senate Bill 563, an EMSRS bill; increasing the retirement benefit multiplier for the West Virginia Emergency Medical Services Retirement System members. He announced, this bill is effective 90 days from passage and was signed by the Governor on April 1, 2016.

Senate Bill 595, a PERS and TRS bill; relating to retirement credit for members of the WV National Guard. He announced, this bill is effective 90 days from passage and was signed by the Governor on April 1, 2016.

House Bill 4046, CPRB Rules bill; to authorize the administrative rules of the Department of Administration. He announced, this bill is effective 90 days from passage and was signed by the Governor on March 29, 2016.

House Bill 4351, a TRS bill; transferring the Cedar Lakes Camp and Conference Center from the West Virginia Board of Education to the Department of Agriculture. He announced, this bill is effective on July 1, 2016 and was signed by the Governor on March 24, 2016.

House Bill 4519, a MPFRS bill; allowing certain municipalities to elect to participate in the West Virginia Municipal Police Officers and Firefighters Retirement System. He announced, this bill is effective 90 days from passage and was signed by the Governor on April 1, 2016.

Captain Corsaro asked Executive Director Fleck why the delinquent amounts were not on

the list of all of the Delinquent Employers. Executive Director Fleck informed Captain Corsaro and the Board that he would have all of those delinquent amounts on the list for them to review at the next Board Meeting.

The Report of the Executive Director is located behind Tab #2.

Tab 3: Plans Investment Data

Eric Sanderson, reviewed the TDC Investment Funds and Investment Performance with the Board for the period ending March 31, 2016.

Executive Director Fleck announced that Craig Slaughter, Executive Director of the West Virginia Investment Management Board (WVIMB) was not present but noted that the Plan’s Investment Returns for February 29, 2015 was in the Board Books and on the Board Tablets for the Board to review.

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 April 12, 2016, the Committee approved and makes the following recommendations to the Board:

System	Approved	Denied	Total
DSRS	2 Total Duty *	0	2 Total Duty *
EMSRS	1 Total Duty	0	1 Total Duty
PERS	8	1	9
TDC	1	0	1
TRS	1	0	1
TRS (TDC Transfers)	8	1	9
TOTAL	21	2	23

Captain Corsaro announced the Committee requests that DSRS member, *William Moyers, be approved with a one year annual re-certification to be performed by a Board Physician.

Mr. Vallet made a motion the Disability Committee accept and approve all of the disability

recommendations from staff, with DSRS member, William Moyers, be approved with a one year annual re-certification to be performed by a Board Physician. Mr. Haney seconded the motion. The motion carried unanimously.

The disability list is located behind Tab #4.

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

Chairman Wyant announced he would now entertain a motion to go into Executive Session to discuss a medical issue, legal and personnel matters.

Captain Corsaro made a motion the Board go into Executive Session to discuss a medical issue, legal and personnel matters as allowed by West Virginia Code §6-9A-4. The motion was seconded by Mr. Bird. The motion carried unanimously. The Board went into Executive Session at 10:16 a.m.

Chairman Wyant reconvened the Public Session of the April 13, 2016 meeting of the CPRB from Executive Session at 10:42 a.m. Chairman Wyant announced the Board was in Executive Session to discuss a medical issue, legal and personnel matters 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 #5 Consideration of Appeals to the Hearing Officer, Jack DeBolt.

Hearing Officer DeBolt reviewed the request of Kimberly Fouche. The issue presented in this matter is whether or not the Applicant is mentally or physically permanently and totally incapacitated for employment within the meaning of and with the character of proof required by §5-10-25 of the West Virginia Code and §162-2-3.2.a of the Code of State Rules.

Hearing Officer DeBolt recommended that the request of Kimberly Jones Fouche for disability retirement benefits from the Public Employees Retirement System be denied.

Captain Corsaro made a motion to adopt the recommendation of the Hearing Officer and to deny the appeal of Kimberly Jones Fouche. Ms. Crank seconded the motion. The motion carried unanimously.

Hearing Officer DeBolt reviewed the request of Sherri L. King. The issue presented in this matter is whether or not the Applicant is eligible to purchase the twenty-five percent of her TDC

service credit which did not transfer to TRS at the time of her transfer.

Hearing Officer DeBolt recommended that the request of Sherri L. King to purchase twenty-five percent of her TDC service credit be denied.

Mr. Vallet made a motion to adopt the recommendation of the Hearing Officer and to deny the appeal of Sherri L. King. Mr. Haney seconded the motion. The motion carried unanimously.

Hearing Officer DeBolt reviewed the request of Sherry L. Richards. The issue presented in this matter is whether or not the Applicant is entitled to convert unused sick leave to additional service credit in the Public Employee Retirement System (PERS).

Hearing Officer DeBolt recommended that the request of Sherry L. Richards to convert asserted unused sick leave to additional service credit in Public Employee Retirement System (PERS) be denied.

Chairman Wyant announced there was a letter provided by Ms. Richards to the Board, it is in the Board Books and on the Board Tablets for your review.

Captain Corsaro made a motion to adopt the recommendation of the Hearing Officer and to deny the appeal of Sherry L. Richards. Ms. Crank seconded the motion. The motion carried unanimously.

Hearing Officer DeBolt reviewed the request of Diane F. Williams. The issue presented in this matter is whether or not the Applicant is entitled to commence an annuity.

Hearing Officer DeBolt recommended that the request of Diane F. William to commence an annuity in TRS be approved.

Ms. Stout made a motion to adopt the recommendation of the Hearing Officer and approve the appeal of Diane F. Williams. Mr. Sizemore seconded the motion. There was discussion on the motion. The motion carried unanimously.

Chairman Wyant announced to the Board that Jack DeBolt, our long-time Hearing Officer is retiring and this may be his last Board Meeting. He announced that Mr. DeBolt has been with the CPRB for over 20 years and commended him on his service to the CPRB and the Board as our Hearing Officer.

Mr. DeBolt thanked Chairman Wyant, the Board and Staff and said it was his honor to work with everyone and to be the Hearing Officer for the CPRB.

The appeals from Hearing Officer Jack DeBolt are located behind Tab #5.

Chairman Wyant announced he will now move the agenda to address Tab #8 Gibbons & Kawash Presentation of the FY2015 Audit, presented by Bob Denyer.

Tab 8: Gibbons & Kawash presentation of FY2015 Audit

Mr. Bob Denyer of Gibbons & Kawash reviewed the audit of the financial statements for the year ending June 30, 2015 for all of the Plans and regarding how GASB 67 will affect the CPRB Plans and the Valuations and the funding requirements for the Plans for reporting purposes.

Mr. Denyer announced that in their Audit and review, Gibbons & Kawash expressed an unmodified opinion on the financial statements. He announced Gibbons & Kawash had no significant deficiencies or material weaknesses to report regarding this audit.

Chairman Wyant asked Mr. Denyer, if it was a clear report overall. Mr. Denyer answered yes; it is an unmodified opinion which is the best level that can be provided.

Chairman Wyant announced he would now entertain a motion to accept the FY2015 Audit Report by Gibbons & Kawash.

Mr. Vallet made a motion to accept the FY2015 Audit Report of Gibbons & Kawash. The motion was seconded by Mr. McKown. The motion carried unanimously.

Chairman Wyant moved the agenda back to address Tab #6, Legal Counsel Reports.

Tab 6: 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 reviewed the case of Birdie Gandy, a TRS appeal to the Circuit Court of Lincoln County. Ms. Legato announced a hearing was held on March 28, 2016 at 11:00 a.m. at which time Judge Hoke requested that the parties submit proposed orders within 30 days. She announced we hope to have a ruling on this case in two to three months.

Ms. Legato updated the Board on the Less than Honorable Service (LTHS) case of Rex Toney. She announced by Order entered March 30, 2016, Judge Kaufman terminated Mr. Toney's membership and benefits in TRS and a copy of that Order is behind her report for you to review.

Ms. Legato reviewed the Less than Honorable Service (LTHS) case of William R. Smallwood. She announced he was a former DOH employee and PERS Member who was adjudged guilty of Felony Embezzlement in a seven-count indictment for misuse of his State Purchasing Card, stemming from his public employment as a store keeper.

Ms. Legato recommended the Board disqualify and terminate his pension and membership in PERS and proceed with LTHS against him.

Captain Corsaro made a motion the Board adopt counsel's recommendation to disqualify and terminate his pension and membership in PERS and proceed with LTHS proceedings against William R. Smallwood. The motion was seconded by Mr. Vallet. The motion carried unanimously.

Ms. Legato updated the Board on the case of Cindy Ringel-Williams v. CPRB. This is a TRS appeal and Ms. Williams is represented by attorney Bradley Pyles. She announced this case went before the West Virginia Supreme Court on April 6, 2016 at 10:00 a.m., for a Rule 20 Argument.

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

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 that the Discovery concluded on December 15, 2015, but both Plaintiffs and Defendants have pending Motions to Compel. Dispositive motions were due on January 21, 2016. VALIC filed a Motion for Partial Summary Judgment, which the Judge entered an Order denying VALIC's motion for Partial Summary Judgment of damages and a copy of that order is behind her report.

Ms. Chambers announced that Bowles Rice is assisting the CPRB with multiple administrative appeals by current and former Department of Natural Resources (DNR) Law Enforcement Officers, regarding whether subsistence pay was properly included as part of the individuals' pensionable compensation in PERS. As of this date, CPRB has received requests for appeals from approximately 150 individuals, all represented by attorney Lonnie Simmons. The Applicants are seeking a declaratory judgment. The parties have agreed to submit stipulations to the Hearing Officer.

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

Executive Director Fleck reviewed the report from Shuman, McCuskey & Slicer on the case of *Manuel Cartelle v. City of Beckley and CPRB*. He announced Shuman, McCuskey & Slicer had filed a Motion to Dismiss the CPRB from this case, based upon immunity for State agencies. The Court Granted their Motion on March 3, 2016, and the CPRB has been removed from this case. Director Fleck announced this should be the last report from the Shuman Law Firm and you will find their status report behind Tab #6.

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

Tab 7: Committee Reports

Hearing Officer Search Committee

Ms. Stout informed the Board that the Hearing Officer Search Committee met on February 19, 2016, at which time the Committee authorized the Executive Director to advertise for the part-time employee position of Hearing Officer and to issue a Request for Quotation (RFQ) through the Purchasing Division for the back-up independent contractor Hearing Officers for the CPRB.

Ms. Stout announced the second meeting was held on March 17, 2016, at which time the Committee discussed the resumes received for the part-time employee position and then voted to interview two of the applicants. The Committee also learned that only one bid was received for the RFQ, and that being Anne Charnock. The Committee voted to recommend the Director enter into a contract with Anne Charnock. She announced that Chairman Bunn then set the next meeting for April 7, 2016, to interview the two applicants.

Ms. Stout announced the Hearing Officer Search Committee recommends the Board authorize the Director to enter into a contract with Anne Charnock and work with the Purchasing Division to have a Purchase Order issued for that contract; the contract will be for a 3 year period, with 1-year renewals possible.

Mr. Vallet made a motion the Board authorize the Director to enter into a contract with Anne Charnock and work with the Purchasing Division to have a Purchase Order issued for that contract for a 3 year period, with 1-year renewals possible. The motion was seconded by Mr. Bird. The motion carried unanimously.

Ms. Stout announced the third meeting was held on April 7, 2016, at which time the two applicants were interviewed. The Committee then met, discussed the interviews and voted to recommend to this Board that it hire Gary Pullin for the part-time position of Hearing Officer at the rate of \$135.00 per hour.

Ms. Stout announced the Hearing Officer Search Committee recommends the Board hire Gary Pullin for the part-time employee position of Hearing Officer at the rate of \$135.00 an hour.

Captain Corsaro made a motion the Board hire Gary Pullin for the part-time employee position of Hearing Officer at the rate of \$135.00 an hour. The motion was seconded by Ms. Crank. The motion carried unanimously. Ms. Stout announced this is the position that was held by Jack DeBolt for over 20 years.

Ms. Stout announced the Committee also voted to recommend the Director issue another RFQ for the back-up independent contractor Hearing Officer, as it was not believed that one back-up Hearing Officer was sufficient.

Ms. Stout announced the Hearing Officer Search Committee recommends the Board authorize Executive Director Fleck to issue another Request for Quotation (RFQ) for one or two more back-up independent contractor Hearing Officers, working with the Purchasing Division and perhaps advertising the RFQ with the State Bar Association.

Mr. Vallet made a motion the Board authorize the Executive Director to issue another RFQ for one or two more back-up independent contractor Hearing Officers and to work with the Purchasing Division and possibly advertising the RFQ with the State Bar Association. The motion was seconded by Mr. Haney. The motion carried unanimously.

The Committee Reports are located behind Tab #7.

Chairman Wyant moved the agenda back to address Tab #9, Old Business.

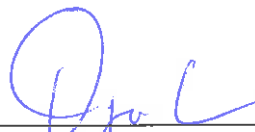
Tab 9: Other, Old Business

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 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 April 13, 2016 at 11:24 a.m.



David Wyant, Chairman
Consolidated Public Retirement Board



Jeffrey E. Fleck, Executive Director
Consolidated Public Retirement Board