

**MINUTES OF THE
WV CONSOLIDATED PUBLIC RETIREMENT BOARD
MEETING OF DECEMBER 9, 2009**

A meeting of the West Virginia Consolidated Public Retirement Board of Trustees was held at the Board 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
Jonathan S. Deem, Esquire, *representing Governor Joe Manchin, III*
Auditor Glen B. Gainer
Donna Lipscomb, *representing Cabinet Secretary Robert W. Ferguson, Jr.*
F/LT Michael Corsaro
E. Gene Davis
Drema Evans
David Fletcher
Charles D. Lanham
Joe Lynch
D. Todd Murray
Andrew Richardson, Esquire

A quorum was present. Due notice had been posted.

Also in attendance were:

Anne Werum Lambright, Esquire, Executive Director, CPRB
Terasa L. Miller, Chief Operating Officer, CPRB
Anita Brewster, Executive Assistant, CPRB
Brittany Smith, Office Assistant, CPRB
Cindy Adkins, Office Manager, CPRB
Lenna Chambers, Esquire, Bowles Rice McDavid Graff and Love
Jeaneen Legato, Esquire, In House Legal Counsel
Jack DeBolt, Esquire, Hearing Officer
Anne Charnock, Esquire, Hearing Officer
Barbara Haddad, CPRB Chief IT/Information Officer
Jeffrey Fleck, CPRB Compliance Officer
Harry Mandel, CPRB Board Actuary
Melody Bailey, CPRB Actuary Assistant
Lisa Trump, CPRB PERS Manager
Deana Gose, CPRB Uniformed Services Manager
Mark Miller, CPRB Chief Financial Officer
Cindy Boyd, CPRB Internal Auditor
Craig Slaughter, Esquire, Executive Director WVIMB
John Galloway, C.P.A., Gibbons and Kawash
Kris Morton, Great West Regional Manager
Andrew Wyne, Great West Outreach Officer
Misty Peal, Esquire, WVEA
Josh Sword, WVAFT

Thomas Harmon
Larry L. Rowe, Esquire

Tab #1: Approval of the October 28, 2009, Meeting Minutes

Mr. Richardson moved to approve the October 28, 2009, minutes of the Consolidated Public Retirement Board and the motion was seconded by Ms. Evans. The motion carried unanimously. The minutes are behind Tab #1.

Tab# 2: Reports of the Chairman and Executive Director

Chairman Wyant welcomed and introduced F/LT Michael Corsaro to the Board who had been appointed by the Governor to replace Captain Stephen Tucker as the representative of the West Virginia State Police.

The Board heard the report from Executive Director Lambright which included the following information:

1. Website Report;

2. Retirement numbers;

3. Budget figures for October and November 2009:

Director Lambright reviewed with the Board the budget figures for October and November 2009;

4. Notes, Quotes and Antidotes:

Director Lambright informed the Board CPRB Office Assistant, Brittany Smith had been chosen the Department of Administration's Employee of the Month for January;

5. Contracts:

Director Lambright informed the Board the upcoming contracts before the end of the year included the outside legal contract and the Third Party Administrator contract with Great West;

6. Conferences:

Director Lambright informed the Board that staff had attended several conferences in November and a copy of the trip reports was in their book;

7. VALIC Lawsuit:

Director Lambright informed the Board a copy of the Complaint filed in the IMB/CPRB declaratory action against VALIC was in their book;

8. Computer Update Project:

Director Lambright informed the Board that Leon Weschler and members of his staff had been on site working with staff on the computer update project. She further informed the Board that some staff would be going to onsite visits to other retirement systems around the country that have implemented the same upgrades being undertaken by CPRB and extended an invitation to the Board Members to attend the site visits with staff. Discussion followed. Chairman Wyant suggested that Mr. Deem schedule an informational meeting with Mr. Weschler and the Committee to review the status of the project and to also speak with his Committee members to see if they were interested in attending the site visits with staff. Auditor Gainer suggested that Ron Bowling with the Governor's Office of Technology be invited to attend these site visits.

9. Municipal Police and Fire Retirement System:

Director Lambright informed the Board that the Municipal Police and Fire Retirement System bill, SB4007 had passed during the Special Session. She further informed the Board that the Governor would be appointing a representative to the Board of Trustees from one of these groups. Director Lambright discussed the need to establish the employer's contribution rate pursuant to WV Code § 8-22A-8 and that the recommendation of Harry Mandel, Board Actuary, for the employer contribution rate is 8.5%; Mr. Mandel's recommendation the regular interest rate is 4% to be consistent with all other defined benefit plans and Mr. Mandel's recommendation for the reinstatement interest rate is 7.5% to be consistent with all other defined benefit plans. Auditor Gainer moved that the Board adopt all three (3) recommendations of the Board Actuary as outlined in the Director's report. The motion was seconded by Mr. Fletcher. Discussion followed. The motion passed unanimously;

10. Arnett and Foster:

Director Lambright informed the Board Arnett & Foster will be back for a two week period in December to complete the last service and final costs on the TDC to TRS transfer;

11. Financial Audit:

Director Lambright informed the Board the financial audit had been completed and Mr. Galloway with Gibbons and Kawash, the Board's Outside Auditor, would present a brief review of the findings;

12. Debt Reduction Information:

Director Lambright informed the Board a listing of the debt reduction money deposited into TRS from the State Budget Office since July 2009 was in their Board book;

13. Disability Letters:

Director Lambright informed the Board copies of the letters mailed to PERS recipients of disability retirement benefits for income verification and medical recertification were in their books for their review in case they received telephone calls regarding this mailing;

14. Members:

Director Lambright informed the Board there is a total of 70 individuals over the age of 100 years receiving pension checks from CPRB.

Tab #3: Financial Audit-John Galloway, C. P. A., Gibbons and Kawash

John Galloway with Gibbons and Kawash reviewed with the Board the financial audit and the Board accepted the Audit. Mr. Galloway emphasized that staff, particularly CFO Mark Miller, had been very helpful and this was a clean audit.

Drema Evans departed the meeting at 10:50 a.m.

Tab #4: Plans Investment Data

Craig Slaughter, Executive Director of the West Virginia Investment Management Board, reviewed with the Board the WVIMB data for the period through October 31, 2009. Discussion followed.

Drema Evans returned to the meeting at 10:52 a.m.

Tab #5: Consideration of Current Disability Retirement Applications

E. Gene Davis, Chair of the Disability Review Committee, reviewed the disability report with the Board. He stated that the Committee met prior to this Board meeting and offered the following recommendations:

| System | Yes | No | Total |
|----------------|-----|----|-------|
| PERS | 7 | 5 | 12 |
| TDC | 2 | 0 | 2 |
| TDC/TRS | 3 | 0 | 3 |
| TRS | 10 | 0 | 10 |
| TOTAL | 22 | 5 | 27 |

Mr. Lynch moved that the Board accept the Disability Committee's recommendations concerning the retirement disability applications. The motion was seconded by Ms. Evans. The motion passed with Mr. Murray abstaining on the application of Sheila Glasure. The disability list is behind Tab #5.

Mr. Davis' requested Director Lambright review with the Board the information regarding the issue of State Police Plan A retirant George Worden's occupational disqualification as a court security officer

Mr. Davis moved that the Board's Disability Committee was recommending that the Board terminate the partial duty disability retirement benefits of George Worden. The motion was seconded by Ms. Evans. Discussion followed. The motion carried unanimously.

Auditor Gainer departed the meeting at 11:00 a.m.

Mack Parsons, representing Auditor Glen Gainer arrived at the meeting at 11:00 a.m.

Chairman Wyant informed the Board that there were medical, legal and contractual matters which would need to be discussed in Executive Session.

Ms. Lipscomb made a motion that the Board go into Executive Session to discuss the legal matters as allowed by West Virginia Code § 6-9A-4. The motion was seconded by Mr. Fletcher and carried unanimously. The Board went into Executive Session at 11:04 a.m.

The Board reconvened the Public Session of the December 9, 2009, meeting of the Consolidated Public Retirement Board at 11:37 a.m.

Chairman Wyant announced that no decisions were made during the Executive Session.

Chairman Wyant announced to the Board that he was appointing F/LT Michael Corsaro to

the Computer Systems Update Committee.

Cabinet Secretary Robert Ferguson arrived at the meeting at 11:37 a.m.

Donna Lipscomb, representing Robert Ferguson departed the meeting at 11:37 a.m.

Tab #6: Consideration of Appeals to Hearing Officers

Hearing Officer DeBolt addressed the appeal of Sharon Rollyson. Mr. Davis moved to accept the recommendation of the Hearing Officer and deny the appeal of Sharon Rollyson. The motion was seconded by Mr. Parsons. The motion carried unanimously.

Hearing Officer DeBolt addressed the appeal of Carl Seacrist. Mr. Richardson moved that the Board reject the recommendation of the Hearing Officer. The motion was seconded by Mr. Fletcher. The motion carried unanimously.

Mr. Richardson further moved that the appeal of Carl Seacrist be remanded back to the Hearing Officer take further evidence and to seek an additional exam by a second Board Physician at Mr. Seacrist's expense. The motion was seconded by Mr. Parsons. The motion carried unanimously.

Hearing Officer Charnock addressed the appeal of Thomas Harmon and noted that Mr. Harmon was in attendance. Mr. Fletcher moved to accept the recommendation of the Hearing Officer and deny the appeal of Mr. Harmon. The motion was seconded by Ms. Evans. Discussion followed. The motion carried unanimously.

Hearing Officer Charnock addressed the appeal of Sharon Fields. Ms. Evans moved to accept the recommendation of the Hearing Officer and deny the appeal of Ms. Fields. The motion was seconded by Mr. Davis. The motion carried unanimously.

Hearing Officer Charnock addressed the appeal of Robert Showalter. Mr. Davis moved to accept the recommendation of the Hearing Officer and deny the appeal of Mr. Showalter. The motion was seconded by Ms. Evans. Discussion followed. The motion carried unanimously.

Hearing Officer Charnock addressed the appeal of Basil Legg. Ms. Evans moved to accept the recommendation of the Hearing Officer and deny the appeal of Mr. Legg. The motion was

seconded by Mr. Lanham. Discussion followed. The motion carried unanimously.

Tab #7: Work in Progress Reports from Legal Counsel

In-House Legal Counsel Jeaneen Legato gave a report to the Board concerning all pending legal matters. Discussion followed.

Ms. Stout moved that the Board instruct In-House Legal Counsel to proceed with the proper procedure to terminate the retirement account of Kaye Francis Thorne as a result of Less Than Honorable Service. The motion was seconded by Mr. Murray. The motion carried unanimously.

Report of In House Legal Counsel is behind Tab #7.

Outside Legal Counsel Lenna Chambers gave a report to the Board concerning all pending legal matters. Discussion followed.

Report of Outside Legal Counsel is behind Tab #7.

Tab #8: Committee Updates

Mr. Fletcher reported to the Board that the Accounting and Investment Committee was working on the RFP for the Third Party Administrator of the TDC System. Mr. Fletcher informed the Board the A&I Committee was recommending the Board authorize Director Lambright to enter into a contract with Great West on a month to month basis with a 90 day window. The motion was seconded by Mr. Parsons. The motion passed unanimously.

Secretary Ferguson informed the Board that the Internal Audit Committee had met on Tuesday, December 8, 2009 and had reviewed the current audits.

Mr. Lanham informed the Board that the Outside Legal Services Committee had met and was recommending that the Board direct Director Lambright to enter into a contract with Bowles & Rice on a month to month basis until the REI process is complete. The motion was seconded by Mr. Murray. The motion carried unanimously.

Tab #9 DSRS and EMSRS Valuations-Harry Mandel

Mr. Mandel reviewed with the Board the current interest rates for the EMSRS plan and that he was recommending that the current rates remain in effect with no adjustments. Secretary Ferguson moved that the Board accept the EMSRS Valuation presented by Mr. Mandel. The motion was seconded by Mr. Lynch. The motion carried unanimously.

Mr. Mandel reviewed with the Board the current interest rates for the DSRS plan. Secretary Ferguson moved that the Board accept the DSRS Valuation presented by Mr. Mandel. The motion was seconded by Mr. Murray. The motion carried unanimously.

Jonathan Deem departed the meeting at 12:38 p.m.

Tab #10: Proposed Legislation

As previously requested by the Board, Chief Operating Officer Terasa Miller reviewed with the Board the proposed legislative changes in Deputy Sheriffs Retirement System (DSRS). Secretary Ferguson moved that the Board accept the DSRS Proposed Legislation and submit it to the Legislature for consideration. The motion was seconded by Mr. Murray. Discussion followed. The motion passed unanimously.

As previously requested by the Board, Chief Operating Officer Terasa Miller reviewed with the Board the proposed legislative changes pertaining to disabilities in the Public Employees Retirement System (PERS) and the Teachers' Retirement System (TRS). Secretary Ferguson moved that the Board accept the proposed legislation and submit it to the Legislature for consideration. The motion was seconded by Mr. Parsons. Discussion followed. The motion passed unanimously.

Tab #11: Old Business

Chairman Wyant asked for old business and none was heard.

Tab #12: Other, New Business

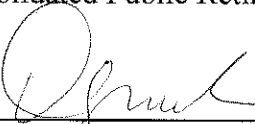
Chairman Wyant asked for new business.

Director Lambright presented the PERS military petition of Thomas Kittle. Mr. Lynch moved that the Board approve the Military Petition of Thomas Kittle for two (2) months of service. The motion was seconded by Ms. Evans. The motion passed unanimously.

Secretary Ferguson moved that in the event the Chairman of a Committee was not available for a meeting of that Committee, that the Committee be allowed to appoint a Chair to conduct meetings in the absence of the Chair. The motion was seconded by Mr. Fletcher. The motion carried unanimously.

Director Lambright informed the Board that a schedule of the 2010 Board Meetings as was in their Book.

Chairman Wyant asked for new business and none was heard. Chairman Wyant adjourned the public meeting of the West Virginia Consolidated Public Retirement Board at 1:00 p.m.



David Wyant, Chairman
Consolidated Public Retirement Board



Anne Werum Lambright, Executive Director
Consolidated Public Retirement Board