

**MINUTES OF THE
WV CONSOLIDATED PUBLIC RETIREMENT BOARD
MEETING OF JANUARY 19, 2011**

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 10:10 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*
Auditor Glen Gainer
Diana Stout, *representing Treasurer John Perdue*
Cabinet Secretary Robert Ferguson
Captain Michael Corsaro
Drema Evans
David Fletcher
Todd Murray
Sergeant Tony Payne
Andrew Richardson, Esquire

Trustees not present:

Thomas Bradley
Charles Lanham
Joe Lynch

A quorum was present. Due notice had been posted.

Also in attendance were:

Terasa L. Miller, CPRB Acting Executive Director
Candi Moore, CPRB Executive Assistant
Jeaneen Legato, Esquire, CPRB General Counsel
Lenna Chambers, Esquire, Bowles Rice McDavid Graff and Love
Jack DeBolt, Esquire, Hearing Officer
Mack Parsons, Auditor's Office
Jeffrey Fleck, CPRB Compliance Officer
Mark Miller, CPRB Chief Financial Officer
Craig Slaughter, Esquire, WVIMB Executive Director
Kris Morton, Great West Regional Manager
Andrew Wyne, Great West Outreach Officer
Jon White, WVEA
Alysia Miller, CPRB Paralegal
Barbara Haddad, CPRB Chief IT/Information Officer
Harry Mandel, CPRB Board Actuary
Melody Bailey, CPRB Actuary Assistant
Cindy Boyd, CPRB Project Manager
Lisa Trump, CPRB PERS Manager
Deana Gose, CPRB Uniformed Services Manager
Caroline Brady, CPRB PERS Assistant Manager
Torrie Williams, CPRB PERS Staff

Brittany Smith, CPRB TRS Staff
Tracy Batman, CPRB TRS Staff

Tab #1: Approval of the December 15, 2010 Meeting Minutes

Mr. Richardson moved to approve the December 15, 2010 minutes of the Consolidated Public Retirement Board (CPRB). The motion was seconded by Mr. Murray. The motion carried unanimously. The minutes are located behind Tab #1.

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

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

1. Retirement Numbers: Acting Director Miller reviewed with the Board the retirement numbers for the Public Employment Retirement System (PERS) and the Teachers' Retirement System (TRS) and the increases over the past years.
2. Acting Director Miller informed the Board that thus far in the Legislative session there are 34 House Bills and 11 Senate Bills pertaining to pensions.
3. Acting Director Miller went over the CPRB 2011 Agency Goals and reported to the Board that staff met many of the 2010 goals.
4. Acting Director Miller discussed with the Board there will be new federal tax tables for over 22,000 retirees in January.
5. Acting Director Miller informed the Board the 1099R's are scheduled to be mailed out on January 26, 2011; she also thanked Auditor Gainer for the calendar inserts for the retirees.
6. Acting Director Miller discussed with the Board that staff will be utilizing the IRS Mail Forwarding Program to try to locate around 500 members who are required to be paid out. Staff has exerted every step to try to locate these people to no avail.
7. CPRB staff has now sent out State Police Non-Duty Medical Re-certifications.
8. Acting Director Miller reported on the Computer Project and stated Cindy Boyd, Cindy Adkins and herself have met with Dave Tincher, Executive Director of the Division of Purchasing, and discussed the inconsistencies of the format. Ms. Boyd is working on that format and will get it back to Purchasing in a week.
9. Acting Director Miller informed the Board that staff continues working on Data Cleansing.
10. Acting Director Miller reviewed with the Board the CPRB financials; she reported

that the agency is at 28.32% of the annual fiscal budget for the month ending December 2010.

11. Acting Director Miller announced to the Board the 2010 PERS Experience Study that Harry Mandel discussed with the Board at a previous meeting has been completed; it has been printed and bound and now available.
12. Acting Director Miller notified the Board of a settlement agreement from a case from the early 1990's with the United States Department of Health and Human Services. A copy of the signed settlement agreement is behind Tab 2. The State of West Virginia will pay a total of 180 million dollars in PERS over the next 9 years. 20 million dollars per year must be paid in addition to the regular contributions for current employees; certain reporting requirements by the Board and State Budget Office will need to be completed.
13. Acting Executive Director Miller notified the Board that West Liberty University did pay the full amount owed of \$121,250.00 for the severance package payment to the Teachers' Retirement System by January 1, 2011.
14. Acting Executive Director Miller reminded the Board Members to complete their Ethics Financial Disclosure.
15. Acting Executive Director Miller said she was proud to announce that the 2010 Department of Administration (DOA) Employee of the Year was CPRB employee Diana Lunsford. Also, the DOA Employee of the Month for February 2011 is CPRB TRS employee Debra Asbury.

Chairman Wyant asked if there were any questions or comments for the Acting Executive Director's report, and none was heard. Acting Executive Director Miller's report is located behind Tab #2.

Tab #3: Plans Investment Data

Mr. Craig Slaughter, Executive Director of the Investment Management Board (IMB), reviewed with the Board the current investment information from the IMB as of November 30, 2010. Mr. Kris Morton with Great West Retirement Services reviewed the Teachers' Defined Contribution System Investment Performance as of December 31, 2010 with the Board. The reports from Mr. Craig Slaughter, Executive Director of the Investment Management Board and Mr. Kris Morton of Great West Retirement Services are behind Tab #3.

Tab #4: Consideration of Current Disability Retirement Applications

Ms. Evans reported to the Board that the Disability Committee met on January 18, 2011 and makes the following recommendations to the full Board:

System	Yes	No	Total
EMSRS	1*	0	1*
PERS	14	1	15
TDC	4	0	4
TDC/TRS TRANSFER	6	0	6
TRS	1	0	1
TOTAL	26	1	27

Of the “yes” recommendations, the 1* under the EMSRS was approved conditioned upon a one year re-examination.

Mr. Fletcher moved the Board accept the Disability Committee’s recommendations concerning the disability retirement applications. The motion was seconded by Secretary Ferguson. The motion carried unanimously.

Ms. Evans requested a motion from the Board to terminate PERS Disability retirement of Delbert A. Mowery effective February 1, 2011, due to his income exceeding the allowable limit of \$11,760.00.

Captain Corsaro moved the Board terminate the PERS Disability retirement of Delbert A. Mowery effective February 1, 2011, due to his income exceeding the allowable limit of \$11,760.00. The motion was seconded by Mr. Richardson and the motion carried unanimously.

Ms. Evans informed the Board the Disability Committee would like to discontinue the disability annuities on the following PERS retirees for not submitting the statutorily required 2009 PERS Income Verification: Cathy Davis, Beverly Dean, Darlene Frye, Serafino Mazzei, Gladys Smith, Randall Teel and Lana White. She asked they be terminated effective February 1, 2011.

Captain Corsaro moved the Board discontinue the disability annuities effective February 1, 2011, of Cathy Davis, Beverly Dean, Darlene Frye, Serafino Mazzei, Gladys Smith, Randall Teel and Lana White in the PERS System as the 2009 PERS Income Verifications were not received. The motion was seconded by Mr. Fletcher. There was discussion on the motion and the motion carried unanimously.

Acting Executive Director Miller informed the Board if staff receives the financial

information within 1 year, staff can reinstate the disability, but past 1 year the benefit then terminates. Ms. Stout asked the Acting Executive Director and the Board if there should be a motion from the Board to authorize staff to do that and to make sure there is documentation that staff is allowed to preauthorize or reinstate their benefits. After discussion, Ms. Stout made the motion that staff be allowed to reauthorize or reinstate these disabled retirees benefits upon staff's receipt of appropriate Income Verification. The motion was seconded by Secretary Ferguson. The motion carried unanimously.

Ms. Evans asked for a motion to terminate the Partial Duty Disability in the State Police Plan A Retirement System of Stephen Burdette and Alfred George Denkins, III, effective February 1, 2011, due to their medical re-certification not being approved by the Board doctor. Stephen Burdette is eligible to apply for regular retirement immediately. Alfred Denkins does not have enough service to receive an annuity at this point.

Mr. Richardson made a motion to terminate the Partial Duty Disability in the State Police Plan A Retirement System of Stephen Burdette and Alfred George Denkins, III, effective February 1, 2011, due to their medical re-certification not being approved by the Board doctor. Mr. Murray seconded the motion. There was discussion on the motion and the motion passed unanimously. The disability list is behind Tab #4.

Tab #5: Consideration of Appeals to Hearing Officers – Jack DeBolt

Hearing Officer DeBolt addressed the request of Jeffrey Bowles for a Declaratory Ruling as to whether or not it is permissible for this Board to terminate a member's annuity without first affording a hearing on the termination. It is recommended his request be denied. Mr. Richardson moved to accept the recommendation of the Hearing Officer and deny the request of Jeffrey Bowles. The motion was seconded by Ms. Evans. There was discussion on the motion and the motion carried with Auditor Gainer voting in the negative.

Hearing Officer DeBolt addressed the appeal of Ronald McKown wherein Mr. McKown requests to be permitted military service credit in TRS. It is recommended his request be denied. Mr. Fletcher moved the Board accept the recommendation of the Hearing Officer and deny the appeal of Ronald McKown for military service credit in TRS. The motion was seconded by Mr. Richardson. The motion carried unanimously.

Hearing Officer DeBolt addressed the appeal of Cynthia Ringel-Williams. It is the recommendation of the Hearing Officer that Cynthia Ringel-Williams TRS participation from

January 1986 through June 30, 1992 and July 1, 2008 through June 30, 2010, be denied. It is further recommended that her request to be permitted to retain her TDC service that was transferred to TRS be approved. It is further recommended that she be permitted to complete the process, if not already done so, of purchasing the twenty-five percent of TDC service credit attributable to participation in TDC from July 1, 1992, to July 1, 2008. Mr. Richardson moved the Board accept the recommendation of the Hearing Officer in the appeal of Cynthia Ringel-Williams. The motion was seconded by Mr. Fletcher. There was discussion on the motion. Chairman Wyant asked for a show of hands for the vote. Those voting in favor of the motion were: Mr. Shawver, Sergeant Payne, Mr. Richardson, Mr. Murray, Captain Corsaro and Chairman Wyant. Those voting against the motion were: Mr. Fletcher, Auditor Gainer, Ms. Evans, Ms. Stout and Secretary Ferguson. The motion carried. The Recommended Decisions are located behind Tab #5.

Tab #6: Work in Progress Reports from Legal Counsel

Chairman Wyant announced before we address the reports from Legal Counsel, there are legal issues and a Less Than Honorable Service issue that need to be discussed during Executive Session. Secretary Ferguson made a motion the Board go into Executive Session to discuss legal and Less Than Honorable Service matters mentioned by the Chairman as allowed by West Virginia Code § 6-9A-4. The motion was seconded by Mr. Fletcher. The Board went into Executive Session at 11:04 a.m.

The Chairman reconvened the Public Session of the January 19, 2011 meeting of the Consolidated Public Retirement Board from Executive Session at 11:56 a.m. Chairman Wyant stated the Board was in Executive Session to discuss legal issues and a Less Than Honorable Service issue. He announced there were no decisions made during Executive Session. The Board will return to Tab #6, Work in Progress Reports from Legal Counsel.

In-House Legal Counsel Presentation – Jeaneen Legato, Board Counsel

In-House Legal Counsel Jeaneen Legato reported to the Board all pending legal matters.

Ms. Legato reviewed with the Board all of the administrative appeals that are presently pending before the Board's Hearing Officer and Circuit Court.

Ms. Legato brought a Less Than Honorable Service (LTHS) case before the Board for the disqualification of Carolyn Kitchen. She was a former WV Lottery employee; she was convicted on November 19th of the federal felony offense of making a false statement to a federal agent.

Chairman Wyant asked Ms. Legato what her recommendation to the Board was regarding the case of Carolyn Kitchen. Ms. Legato said it was her recommendation that the Board disqualify Ms. Kitchen for Less Than Honorable Service.

Auditor Gainer made the motion for counsel to proceed with the Less Than Honorable Service case against Carolyn Kitchen. The motion was seconded by Captain Corsaro. The motion carried unanimously.

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

Outside Legal Counsel Presentation – Lenna Chambers, Bowles Rice

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

Ms. Chambers then reviewed with the Board the matters pending before the Circuit Courts and the Supreme Court. The report of the Outside Legal Counsel is behind Tab #6.

Tab #7: Committee Updates

Accounting and Investment Committee: - Minutes of the October 21, 2010 Meeting

Mr. Fletcher informed the Board the Accounting and Investment (A & I) Committee met this morning and has been working on evaluating the proposed TDC investment options. Once the investment options are decided, a contract will be issued as a change order to the existing Purchase Order. Acting Executive Director Miller announced the RFP was awarded to Great West and there was no protest; therefore, the Board is operating under the new RFP and RFP Proposal with the new rates effective January 1, 2011. The A & I Committee is going to have another meeting prior to the March 2, 2011 Board meeting to finalize the TDC investments.

Mr. Fletcher announced to the Board the draft RFP for the annual financial audit is behind the A & I Committee tab for review and action. The Committee recommends the Board approve the RFP.

Mr. Fletcher made a motion to approve the Audit RFP. Secretary Ferguson seconded the motion. There was discussion on the motion and the motion carried unanimously.

Tab #8: Valuations – Buck Consultants, David Driscoll

Mr. David Driscoll, Buck Consultants, was unable to attend the Board meeting due to flight cancellations. In the absence of Mr. Driscoll, Harry Mandel, CPRB Board Actuary, reviewed with the Board the Valuations for the PERS, TRS, State Police Plan A, State Police Plan B and JRS Plans as of July 1, 2010. Discussion followed.

Ms. Stout made a motion to accept and adopt the Actuarial Valuation of the PERS as prepared by Buck Consultants. The motion was seconded by Secretary Ferguson. The motion carried unanimously.

Secretary Ferguson moved the Board accept and adopt the Actuarial Valuation of the TRS as prepared by Buck Consultants. The motion was seconded by Mr. Fletcher. The motion carried unanimously.

Secretary Ferguson made a motion that the Board accept and adopt the Actuarial Valuation of the State Police Plan A as prepared by Buck Consultants. The motion was seconded by Ms. Evans. The motion carried unanimously.

Secretary Ferguson made a motion that the Board accept and adopt the Actuarial Valuation of the State Police Plan B as prepared by Buck Consultants. The motion was seconded by Mr. Fletcher. The motion carried unanimously.

Secretary Ferguson made a motion that the Board accept and adopt the Actuarial Valuation of the Judges Retirement System (JRS) as prepared by Buck Consultants. The motion was seconded by Auditor Gainer. The motion carried unanimously. The Valuations by Buck Consultants are located behind Tab #8.

Tab #9: Recommended Contribution Rates – Harry Mandel

Harry Mandel, Board Actuary, reviewed with the Board his recommendation to increase the PERS employer contribution rate from 12.5% to 14.5% effective July 1, 2011.

Secretary Ferguson moved the Board accept the recommendation of the Board Actuary, Harry Mandel, to increase the PERS employer contribution rate from 12.5% to 14.5% effective July 1, 2011. Auditor Gainer seconded the motion. The motion carried unanimously.

Mr. Mandel then reviewed with the Board his recommendation to decrease the State Police Plan B employer contribution rate from 19.5% to 17.5% effective July 1, 2011.

Mr. Richardson made a motion that the Board accept the recommendation of the Board Actuary, Harry Mandel, to decrease the State Police Plan B employer contribution rate from 19.5% to 17.5% effective July 1, 2011. Ms. Evans seconded the motion. The motion carried unanimously. The Recommended Contribution Rates are behind Tab #9.

Auditor Gainer departed at 12:09 p.m.

Sergeant Payne departed at 12:11 p.m.

Tab #10: Actuarial Factors for Plan Administration – Harry Mandel

Harry Mandel, Board Actuary, reviewed with the Board his recommendation to continue in 2011 the same Actuarial Assumptions for administration that were in effect in 2010 without modifications, for the following plans: PERS, TRS, Department of Public Safety, Death, Disability and Retirement Fund (Plan A), State Police Retirement System (Plan B), Judges' Retirement System, Deputy Sheriff Retirement System and the Emergency Medical Services Retirement System. Mr. Fletcher moved the Board accept the recommendation of the Board Actuary, Mr. Mandel, and maintain the Actuarial Assumptions of 2010 for daily administration for 2011, without modification. The motion was seconded by Mr. Richardson. The motion carried unanimously. The Actuarial Factors for Plan Administration by Harry Mandel, Board Actuary are located behind Tab #10.

Tab #11: 2011 Proposed Legislation

Acting Director Miller reviewed with the Board the proposed legislation for PERS regarding one-time payments, reinstating previously withdrawn service, The Rule of 80, Qualified Domestic Relations Order's (QDRO's) and other proposed clean-up to language in that statute.

Secretary Ferguson made a motion to authorize Acting Director Miller to submit this proposed legislation for consideration by the legislature. Mr. Parsons seconded the motion. The motion carried unanimously.

Acting Director Miller reviewed with the Board the proposed legislation for the State Police Plan A and Plan B Retirement Systems regarding disability physical examinations. Secretary Ferguson made a motion to authorize Acting Director Miller to submit this proposed legislation for consideration by the Legislature. Ms. Evans seconded the motion. The motion carried unanimously. The 2011 Proposed Legislation is located behind Tab #11.

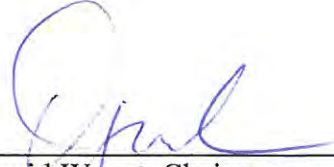
Tab #12: Other, Old Business

Chairman Wyant asked for old business and none was heard.

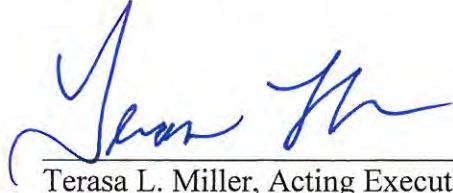
Tab #13: Other, New Business

Chairman Wyant asked for new business. Chairman Wyant announced to the Board the Executive Director Search Committee will meet in the Board Conference room five minutes after the Board meeting adjourns. Chairman Wyant then asked if there was any other new business and none was heard.

Chairman Wyant adjourned the public meeting of the West Virginia Consolidated Public Retirement Board at 12:46 p.m.



David Wyant, Chairman
Consolidated Public Retirement Board



Terasa L. Miller, Acting Executive Director
Consolidated Public Retirement Board