

**MINUTES OF THE
WV CONSOLIDATED PUBLIC RETIREMENT BOARD
BOARD OF TRUSTEES MEETING
MEETING OF NOVEMBER 6, 2013**

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 10:04 a.m. by Chairman David Wyant.

Roll Call was taken.

Trustees present were:

David Wyant, Esquire, Chairman
Joseph Garcia, Esquire, *representing Governor Earl Ray Tomblin*
Mack Parsons, *representing Auditor Glen Gainer III*
Diana Stout, Esquire, *representing Treasurer John Perdue*
Donna Lipscomb, *representing Cabinet Secretary Ross Taylor*
Joseph Bunn, Esquire
Joe Lynch
Andrew Richardson, Esquire

Trustees not present:

Thomas Bradley
Captain Michael Corsaro
D. Todd Murray
Tony Payne

A quorum was present.

Due notice had been posted.

Also in attendance were:

Jeffrey E. Fleck, CPRB Executive Director
Teresa Miller, Deputy Director
Jeaneen Legato, Esquire, CPRB General Counsel
Candi Moore, CPRB Executive Assistant
Jack DeBolt, Esquire, Hearing Officer
Lenna Chambers, Esquire, Bowles Rice
Andrew Wyne, Great-West Retirement Services, Outreach Officer
Amy Heyel, Vice President of Client Relations, Great West
Eric Sanderson, Great West Regional Director
Craig Slaughter, Executive Director, WVIMB
Norm Buckwalter, LRWL
Rick Richter,

Phil Shimer, TSG
Mary Pearl Compton, Appellant
Gerald R. Stowers, Bowles Rice
Harry Mandel, CPRB Actuary
Melody Bailey, CPRB Actuary Analyst
Darden Greene, CPRB CFO
John Beane, CPRB Chief IT Officer
Cindy Boyd, CPRB Computer Project Manager
Annamarie Short, CPRB Internal Auditor
Steve Stockton, CPRB Compliance Officer
Alysia Miller, CPRB Paralegal
Cindy Adkins, CPRB Office Manager
Bill McClanahan, Office of Technology
Chrissy Courtney, CPRB Outreach Coordinator
Eric Stringer, CPRB IT Staff
Lori Cottrill, CPRB Accounting Department
Deana Gose, CPRB Uniform Services Manager
Lisa Trump, CPRB PERS Manager
Caroline Brady, CPRB PERS Assistant Manager
Robert Bush, CPRB Retirement Advisor
Torrie Williams, CPRB PERS Membership

Tab 1: Approval of the September 25, 2013 Meeting Minutes

Mr. Bunn made a motion to approve the September 25, 2013 minutes of the CPRB. The motion was seconded by Mr. Parsons. The motion carried unanimously. The minutes are located behind Tab 1.

Tab 2: Reports of the Chairman and Executive Director

Chairman Wyant announced he had one appointment to make to a CPRB Committee; he appointed Mr. Joseph Garcia to the Disability Review Committee.

The Board then heard the report from Executive Director Jeffrey Fleck which included the following information:

1. Executive Director Fleck reviewed the October 2013 Teachers' Retirement System (TRS) and Public Employees Retirement System (PERS) retirement and estimate numbers. He reported there were 214 TRS Estimates and 297 TRS Retirements for October. In PERS, there were 232 Estimates and 104 Retirements for October.
2. Executive Director Fleck announced to the Board that two of our CPRB employees are listed in the Quotes, Notes & Anecdotes to be voted on for the employee of the Year by the Department of Administration. He announced they are two of our Retirement Advisor's; Chris Barr and David McCauley. The Employee of the Year ceremony will be on Tuesday, December 17, 2013 at 11:30 a.m. in the Rotunda at

the State Capitol.

3. Executive Director Fleck reported to the Board the CPRB was awarded the CAFR-GFOA Award Certificate of Achievement by the Government Finance Officers Association. Director Fleck congratulated Darden Greene, CFO; John Beane, Chief IT Officer; Lori Cottrill, Accounting Manager; Harry Mandel, Board Actuary and Melody Bailey, Actuarial Assistant and thanked them for all of their work in making this happen.
4. Executive Director Fleck reported to the Board on the Quarterly Annuity Counts which breaks down regular retirees disability benefits and totals by Plan.
5. Executive Director Fleck reported to the Board on the TRS Educational Seminars that were held throughout the State during the month of October. He reported there have been a total of 909 in attendance thus far.
6. Executive Director Fleck reported to the Board the PERS Contribution letters to Non-State Employers will go out this week.
7. Executive Director Fleck reviewed with the Board the Teachers' Defined Contribution (TDC) 2013 Educational Meetings. He announced there have been 16 meetings, with 153 in attendance and 19 Reality Investing enrollments.
8. Executive Director Fleck reported to the Board the TDC Reality Investing statistics are in the Board books. He announced that as of October 1, 2013 there are 4,939 total participants in TDC, with \$360,456,247 in total assets.
9. Executive Director Fleck reviewed the delinquent employers list with the Board. He announced we will be receiving our money from the Town of Pratt Water Works on November 19, 2013.
10. Executive Director Fleck informed the Board on the CPRB DSRS brochures and statements that were mailed on September 23, 2013.
11. Executive Director Fleck reported to the Board on the Computer Update; he announced we are on schedule and hope to have a contract for Board approval at the December Board Meeting.
12. Executive Director Fleck reported to the Board on the September and October, 2013 CPRB Financials; he reported that as of October 31st we are at 21.64% of budget.
13. Executive Director Fleck reported on the October Legislative Interims with the Board.

The Reports of the Chairman and Executive Director are located behind Tab 2.

Auditor Gainer, III arrived to the meeting at 10:19 a.m.

Tab 3: Plans Investment Data

Craig Slaughter, Executive Director of the West Virginia Investment Management Board (WVIMB), reviewed with the Board the plan's investment returns for August and September 2013.

Andrew Wyne, Great-West Retirement Services, reported to the Board on the TDC investments and Reality Investing. The Plan's Investment Data reports are located behind Tab 3.

Tab 4: Consideration of Current Disability Retirement Applications

Mr. Lynch reported the Disability Committee met on November 5, 2013, and the Committee makes the following recommendations to the Board:

System	Approved	Denied	Total
DSRS	1 Total Duty	0	1 Total Duty
PERS	20	2	22
TDC	1	0	1
TRS	2	1	3
TRS/TDC Transfers	11	0	11
TOTAL	35	3	38

Mr. Bunn 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.

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

Mr. Garcia made a motion the Board go into Executive Session to discuss legal matters as allowed by West Virginia Code § 6-9A-4. The motion was seconded by Ms. Stout. WVIMB Executive Director Craig Slaughter was asked to stay for Executive Session. The motion carried

unanimously. The Board went into Executive Session at 10:19 a.m.

Chairman Wyant reconvened the Public Session of the November 6, 2013 meeting of the CPRB from Executive Session at 11:09 a.m. Chairman Wyant stated the Board was in Executive Session to discuss legal matters as allowed by West Virginia Code § 6-9A-4. He announced there were no decisions made during Executive Session.

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

Hearing Officer DeBolt reviewed with the Board the Appeal of Mary Pearl Compton on whether or not the Applicant is obligated to repay an overpayment made to her on her TRS annuity. Hearing officer DeBolt recommended Mary Pearl Compton be required to repay to this Board the sum of \$28,164.22 representing the overpayment to her on her TRS annuity.

Mr. Bunn made a motion the Board accept the Hearing Officer's recommended decision and Mary Pearl Compton be required to repay to the Board the sum of \$28,164.22 representing the overpayment to her on her TRS annuity. Mr. Garcia seconded the motion. There was discussion on the motion. A vote was taken upon the motion. The motion failed.

Chairman Wyant asked the Board if there was any other action the Board would like to take.

Mr. Bunn made a new motion the Board approve the appeal of Mary Pearl Compton on the basis of Laches. The motion was seconded by Mr. Richardson. The motion carried unanimously.

Hearing Officer DeBolt reviewed the appeal of Roy E. Cool on whether or not the Applicant is entitled to additional military service credit under the provision of §5-10-15 of the West Virginia Code. Hearing Officer DeBolt recommended that the request of Roy E. Cool for five years of military service credit in the Public Employees Retirement System be denied.

Mr. Bunn made a motion the Board accept the Hearing Officer's recommendation and deny the appeal of Roy E. Cool for five years of military service credit in the Public Employees Retirement System. The motion was seconded by Mr. Richardson. There was discussion on the motion. Mr. Bunn announced to the Board he would like to make a statement for the record: "It was a derelict on our Legislature not to enact legislation or to clarify on what an individual is entitled to regarding military service credit. Time and time again this issue comes up before this Board and time and time again the Legislature has failed to give us a clear indication of what their intent is and it is time it needs to be clarified." The motion carried, with Ms. Stout voting no.

Tab 6: Work in Progress Reports from Legal Counsel

Work in Progress Reports from In-House Legal Counsel – Jeaneen Legato

In-House Legal Counsel, Jeaneen Legato, 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. The report of the In-House Legal Counsel is located behind Tab 6.

Auditor Gainer left the meeting at 11:36 a.m. Mr. Parsons took his seat by proxy.

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.

Ms. Chambers reported to the Board that pending in Circuit Court is the case of IMB and CPRB v. VALIC. On October 21, 2013 the Circuit Court granted Summary Judgment Motions filed by VALIC against both CPRB and IMB. She announced if this Board decides to appeal the orders, a Notice of Appeal must be filed with the Supreme Court of Appeals of West Virginia by November 20, 2013. Ms. Chambers requested the board grant authority for Bowles Rice to file an appeal on behalf of the CPRB on this case.

Mr. Richardson made a motion the Board give Ms. Chambers and Bowles Rice authority to file the appeal on behalf of the Board. Ms. Stout seconded the motion. The motion carried unanimously.

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

Chairman Wyant announced to the Board there was no report from Pullin, Fowler, Flanagan, Brown & Poe on the case of Dougherty v. CPRB.

Tab 7: Committee Updates

Accounting & Investing Committee

Mr. Bunn announced to the Board that the A&I Committee met this morning and would like to make the following recommendation to the Board for their approval:

Mr. Bunn made a motion the Board place John Hancock Large Cap Equity Fund and Sentinel Small Company Fund on the watch list. The motion was seconded by Mr. Richardson. The motion carried unanimously. The minutes of the A&I Committee are located behind Tab 7.

Internal Audit Committee

Acting Chairman Lipscomb reported to the Board that the Internal Audit Committee met on Tuesday, November 5, 2013. She announced the Internal Audit Committee reviewed an audit on the Loans Department Internal Controls and the response from management. The Internal Audit Committee recommends the Board accept the Audit and Response from Management.

Ms. Lipscomb made a motion the Board approve the Audit and Management Response. The motion was seconded by Mr. Garcia. The motion carried unanimously. The minutes of the Internal Audit Committee are located behind Tab 7.

Tab #8: July 1, 2013 Valuations - MPFRS – Harry Mandel, Board Actuary

Mr. Mandel reviewed the July 1, 2013 Valuation on the Municipal Police and Fire Retirement System (MPFRS) with the Board. Mr. Mandel requested acceptance of the July 1, 2012 Actuarial Valuations for MPFRS, and acceptance of the recommendation to maintain the employer contribution rate at 8.5% of payroll for FY 2015.

Mr. Richardson made a motion the Board accept and adopt Mr. Mandel's recommendations. Mr. Lynch seconded the motion. The motion carried unanimously.

Tab 9: July 1, 2013 Valuations - EMSRS – Harry Mandel, Board Actuary

Mr. Mandel reviewed the EMRS Actuarial Valuation on the Emergency Medical Services Retirement System (EMSRS) with the Board. Mr. Mandel recommended the Board accept the July 1, 2013 Actuarial Valuation for EMSRS and acceptance of the recommendation to maintain the employer contribution rate at 10.5% of payroll for FY 2015.

Mr. Lynch made a motion the Board adopt the Board Actuary's recommendations to the Emergency Medical Services Retirement System. The motion was seconded by Mr. Richardson. The motion carried unanimously.

Tab 10: July 1, 2013 Valuations - DSRS – Harry Mandel, Board Actuary

Mr. Mandel reviewed the DSRS Actuarial Valuations on the Deputy Sheriff Retirement System (DSRS) with the Board. Mr. Mandel recommended the Board accept the July 1, 2013 Actuarial Valuation for DSRS and a reduction of the current 13.0% employer contribution rate to 12.5% effective July 1, 2014.

Mr. Richardson made a motion the Board adopt the Board Actuary's recommendations to the DSRS Retirement System. Mr. Lynch seconded the motion. There was discussion on the

motion. The motion carried unanimously.

Tab 11: Other, Old Business

Chairman Wyant announced that in regards to the Board's action on the appeal of Mary Pearl Compton, apparently her annuity had been reduced to recoup the overpayment. With the Board's ruling to reinstate and deny the hearing officers recommendation and not require the repayment of money, we need to address whether or not the Board wants to authorize a repayment to reflect the previous reductions.

Beginning in May 2013 her annuity was reduced by approximately \$500.00 per month, the question is would the board want to issue a check reflecting a lump sum amount since May 2013.

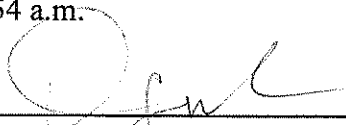
Mr. Richardson made a motion the Board make Ms. Compton whole, with a lump sum reflecting the amount deducted from her pension since May of 2013. Mr. Parsons seconded the motion. The motion carried unanimously.

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

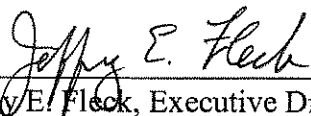
Tab 12: Other, New Business

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

Chairman Wyant adjourned the November 6, 2013 meeting of the West Virginia Consolidated Public Retirement Board at 11:54 a.m.



David Wyant, Chairman
Consolidated Public Retirement Board



Jeffrey E. Fleck, Executive Director
Consolidated Public Retirement Board