

**MINUTES OF THE
WV CONSOLIDATED PUBLIC RETIREMENT BOARD
MEETING OF MARCH 3, 2010**

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 10:00 a.m. by Chairman David Wyant.

Roll Call was taken and trustees present were:

David Wyant, Esquire, Chairman
Jonathan Deem, Esquire, *representing Governor Joe Manchin, III*
Auditor Glen Gainer
Diana Stout, Esquire *representing Treasurer John Perdue*
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
Lenna Chambers, Esquire, Bowles Rice McDavid Graff and Love
Jeaneen Legato, Esquire, In House Legal Counsel
Jack DeBolt, 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
Caroline Brady, CPRB Assistant PERS Manager
Deana Gose, CPRB Uniformed Services Manager
Mark Miller, CPRB Chief Financial Officer
Cindy Boyd, CPRB Internal Auditor
Mack Parsons, Auditor's Office
Craig Slaughter, Esquire, Executive Director WVIMB
Kris Morton, Great West Regional Manager
Andrew Wyne, Great West Outreach Officer
Andy Mezziman, City of Bluefield
George Levitsky, Marion County Transit
David Molgaard, City of Charleston

Vivian Parsons, County Commission Association
Patti Hamilton, Association of Counties
Kent Carper, Kanawha County Commission
Jennifer Sayre, Kanawha County Commission
David Fontalbert, Kanawha County Commission
Mark Plants, Esquire, Kanawha County Prosecuting Attorney
Martin Howe, City of Clarksburg
Frank Ferreri, City of Clarksburg
Mike Rutherford, Kanawha County Sheriff
Kyle Shaffer, Office of Technology
Rachel Carney, City of South Charleston
Misty Peal, Esquire, WV Education Association
Phil Kabler, Charleston Gazette
Billy Wolfe, Charleston Daily Mail
Vera McCormick, Kanawha County Circuit Clerk's Office
Bruce Moore, Kanawha County Assessor's Office
Carolyn Charnock, Metro 911
Laura Wilson-Starks, Metro 911
Beth Sisk, City of Hurricane
Ben Newhouse, City of Hurricane
Dick Callaway, City of St. Albans
Rick Atkinson, Yeager Airport
Terry Sayre, Airport Commission

Tab #1: Approval of the January 13, 2010, Meeting Minutes

Mr. Fletcher moved to approve the January 13, 2010, minutes of the Consolidated Public Retirement Board and the motion was seconded by Auditor Gainer. The motion carried unanimously. The minutes are behind Tab #1.

Secretary Robert W. Ferguson, Jr. arrived at the meeting at 10:04 a.m.

Tab# 2: Reports of the Chairman and Executive Director

Chairman Wyant informed the Board that he had received a letter from Director Lambright that she was stepping down from her position as the Executive Director of the Consolidated Public Retirement Board effective May 1, 2010. With regret, Chairman Wyant accepted the Executive Director's resignation. He also expressed his gratitude for the fine job that Director Lambright had done and wished her well.

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

1. Director Lambright informed the Board that due to her breast cancer her doctor was recommending that she cut back from working 80 hours a week to 20 hours a week and that she would be stepping down from her position as Executive Director on April 30, 2010, however she has agreed to work part time (20 hours a week) for the

Board until a new director was hired.

2. Budget figures for January and February 2010:

Director Lambright reviewed with the Board the budget figures for January and February 2010;

3. Retirement Numbers:

Director Lambright reviewed with the Board the retirement numbers for January 2010;

4. COOP Plan:

Director Lambright informed the Board that the Department of Administration business continuation plan was on going, that our Compliance Officer, Jeff Fleck was continuing to work on this project and would be conducting some table-top exercises soon at CPRB;

5. Computer Upgrade Update:

Director Lambright informed the Board that Leon Weschler and some of his staff had been working at CPRB for several weeks and that the Staff Committee and Trustee Fletcher had traveled to Raleigh, North Carolina in January;

6. 1099R's:

Director Lambright informed the Board that the 1099R's had been mailed in January and the file had been submitted to the IRS;

7. Fiduciary Training:

Director Lambright informed the Board that Tom Heywood, Esquire, with Bowles Rice will be conducting Fiduciary Training at 10:00 a.m. prior to the June 9, 2010 Board Meeting;

8. State Police Disability Recertification:

Director Lambright informed the Board that the recertification project had begun and that Counsel for the State Police and F/LT Corsaro were working with CPRB on this project;

9. Special Tax Notice:

Director Lambright informed the Board that a copy of the "Special Tax Notice Regarding Your Rollover Options" was in their Board book;

10. Seminar/Conference Requests:

Director Lambright informed the Board that a listing of the seminars and conferences that staff was requesting to attend was in their Board Book and that she would like the Board to approve the list as presented and to also allow Jeaneen

Legato, General Counsel, to attend the NAPPA Conference in June. Auditor Gainer moved that the Board approve the seminar/conference list as presented and to also allow Jeaneen Legato to attend the NAPPA Conference in June. The motion was seconded by Secretary Ferguson. Discussion followed. The motion carried unanimously;

11. PEW Report:

Director Lambright informed the Board that a copy of the PEW Report was in their Board book for their review;

12. Notes, Quotes and Antidotes:

Director Lambright informed the Board that CPRB employee Derek Bailey, Account Tech III in the Annuity Payroll Section, had been chosen the Department of Administration's Employee of the Month for March;

13. PERS Increase Letter:

Director Lambright informed the Board a copy of the letter mailed to PERS employers regarding the employer contribution increase was in their Board book;

14. Reality Investing and Outreach Seminars:

Director Lambright informed the Board a copy of the Reality Investing and TDC Outreach Seminar updates was in their Board books;

15. TDC TPA RFP:

Director Lambright informed the Board that the A&I Committee was working on the TPA RFP and would report on the status of that during Tab #8;

16. Arnett and Foster:

Director Lambright informed the Board that a letter from Arnett and Foster with final figures from the TDC/TRS transfer was in their Board book;

17. Legislation HB 4324 and SB 553:

Director Lambright informed the Board that the Legislature was considering reopening the TDC/TRS transfer for a brief window for the completion of the 25% purchase. Chairman Wyant at this time informed the Board and public that the appeals of TDC/TRS matters on the agenda for today would not be addressed during this meeting. He further informed the Board that these matters would be tabled to see what the Legislature does and that if someone was in attendance regarding an appeal on the TDC/TRS 25% service credit purchase, the matters would not be discussed by the Board at the March 3, 2010 meeting.

18. 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;

19. TRS Brochure and Pension Press:

Director Lambright informed the Board copies of the TRS brochure and TRS Pension Press were in their Board book and would be mailed out this month;

20. Trooper Class Action Lawsuit:

Director Lambright informed the Board a copy of the scheduling order for the Trooper class action law suit was in their Board book;

21. 2010 Legislation with pension implications:

Director Lambright informed the Board a copy of the 2010 Legislation was in their Board book;

22. EMS Legislation:

Director Lambright informed the Board that the CPRB EMS correction bill was moving through the legislative process (HB 4182);

23. Trooper Fraud Bill:

Director Lambright informed the Board the CPRB Trooper fraud bill was amended on both the House and Senate sides to require a conviction for fraud before the trooper could be required to repay his pension;

The Director's full report is behind Tab #2.

At this time Chairman Wyant informed the Board that he was appointing an Executive Director Search Committee and those appointed were: David Wyant, Chairman, Jonathan Deem, Andrew Richardson, Drema Evans and Secretary Robert Ferguson.

Tab #3: Reconsideration of Employer Contribution Rate-Harry Mandel

Chairman Wyant did a brief explanation as to why this matter was on the agenda. Mr. Richardson moved that the Board reconsider the issue of the PERS employer contribution rate. The motion was seconded by Mr. Fletcher. The motion carried unanimously.

Mr. Fletcher departed the meeting at 10:30 a.m.

Mr. Mandel reviewed with the Board the options that were available to the Board regarding the matter of the PERS employer contribution rates. He explained the difference between the

actual market value of assets and asset smoothing. Discussion followed.

Ms. Evans departed meeting at 10:50 a.m.

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

Mr. Deem moved that the Board accept the four (4) year asset smoothing method as recommended by Mr. Mandel. The motion was seconded by Mr. Richardson. Discussion followed. Members of the audience were permitted to speak to the issue. After hearing the public comment, the motion passed with Mr. Davis voting in the negative.

Chairman Wyant announced to the Board that they would take a brief recess. The Board went into recess at 11:45 a.m.

The Board reconvened the Public Session of the March 3, 2010, meeting of the Consolidated Public Retirement Board at 11:58 a.m.

Auditor Gainer moved to accept the recommendation of the Board Actuary to increase the employer contribution rate for the Public Employee Retirement System from 11% to 12.5% effective July 1, 2010. The motion was seconded by Secretary Ferguson. The motion passed with Mr. Davis voting in the negative.

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 December 31, 2009. Discussion followed.

Secretary Ferguson departed the meeting at 12:00 p.m.

Secretary Ferguson returned to the meeting at 12:05 p.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	19	3	22
TDC	5	0	5
TDC/TRS	4	0	4
TRS	11	2	13
TOTAL	39	5	44

Mr. Lanham moved that the Board accept the Disability Committee's recommendations concerning the retirement disability applications. The motion was seconded by Auditor Gainer. The motion carried. The disability list is behind Tab #5.

At the request of the Disability Chair Davis, Director Lambright reviewed with the Board the issue of the Plan A disability retirement of Robert McComas and occupational disqualification. She explained the statute requires that Mr. McComas' award of disability benefits should be terminated. Mr. Davis informed the Board the Disability Committee was recommending the Board terminate the disability retirement benefits of Robert McComas effective April 1, 2010 and allow him to apply for regular retirement. The motion was seconded by Mr. Murray. Discussion followed. The motion carried unanimously.

Mr. Davis informed the Board that the Committee was also recommending that all disability applicants be required to provide medical records to the Board Physician seven (7) to ten (10) days prior to their appointment and if they fail to provide the documents within the required time frame, the Board doctor shall cancel their appointment. Mr. Davis then moved that the Board adopt the Committee's recommendation. The motion was seconded by Mr. Murray. Discussion followed. The motion carried unanimously.

Tab #6: Consideration of Appeals to Hearing Officers

Hearing Officer DeBolt addressed the appeal of Carl Childers, deceased. F/LT Corsaro moved to accept the recommendation of the Hearing Officer and deny the appeal of Janice Childers, widow of deceased member, Carl Childers. The motion was seconded by Mr. Richardson. The motion carried unanimously.

Hearing Officer DeBolt addressed the appeal of Marie Rose. Ms. Evans moved that the Board accept the recommendation of the Hearing Officer and deny the appeal of Ms. Rose. The

motion was seconded by Mr. Davis. The motion carried unanimously.

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

Ms. Stout made a motion that the Board go into Executive Session to discuss matters as allowed by West Virginia Code § 6-9A-4. The motion was seconded by Mr. Deem and carried unanimously. The Board went into Executive Session at 12:13 p.m.

The Board reconvened the Public Session of the March 3, 2010, meeting of the Consolidated Public Retirement Board at 1:15 p.m.

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

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.

Mr. Murray moved that the Board instruct In-House Legal Counsel to proceed with the proper procedure to terminate the retirement account of Richard Bennett as a result of Less Than Honorable Service. The motion was seconded by F/LT Corsaro. The motion carried unanimously.

Mr. Fletcher moved that the Board instruct In-House Legal Counsel to proceed with the proper procedure to terminate the retirement account of Roger Thomas as a result of Less Than Honorable Service. The motion was seconded by Auditor Gainer. The motion carried unanimously.

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

Secretary Ferguson moved that the \$114.00 overpayment to the estate of Constance Denton be waived. The motion was seconded by Auditor Gainer. The motion carried unanimously.

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

Ms. Stout moved that the Board instruct Ms. Chambers to enter into a Tolling Agreement with Jill K. Taylor to allow her request to be processed administratively. The motion was seconded by Ms. Evans. The motion passed with Mr. Davis voting in the negative.

Report of Outside Legal Counsel is behind Tab #7.

Mr. Lanham departed the meeting at 1:25 p.m.

Tab #8: Committee Updates

Ms. Stout, at the request of Committee Chairman Fletcher, informed the Board that the A & I Committee had met at 9:00 a.m. on March 3, 2010 and reviewed the draft TDC TPA-RFP. The Committee was recommending that the Board adopt the TDC TPA-RFP and direct staff to make the necessary technical corrections and process the RFP through purchasing. The motion was seconded by Mr. Fletcher. The motion carried unanimously.

Ms. Stout, in the absence of Committee Chair Mr. Lanham, informed the Board the Outside Legal Services Committee had met on January 15, 2010 to discuss the RFP for the Outside Legal Services and that the Committee would be meeting again on March 15, 2010 at 10:00 a.m. to review the draft RFP.

Secretary Ferguson, informed the Board that the Internal Audit Committee had a status conference by telephone on Tuesday, March 2, 2010 and reviewed an update on pending audits.

Tab #9: Cabinet Secretary Kyle Shaffer-Office of Technology

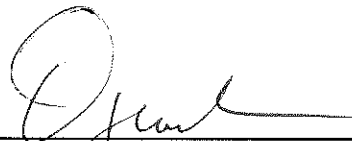
Mr. Shaffer discussed with the Board the possibility of taking the six (6) CPRB IT staff members and placing them under the Office of Technology. Chairman Wyant appointed a Committee comprised of Auditor Gainer as Chair, Andrew Richardson and F/LT Corsaro and requested that they meet with the CPRB IT staff to discuss the pros and cons of removing the IT staff from CPRB and placing them under the Office of Technology and to report back to the full Board at its next meeting as to whether they feel this move would be in the best interest of CPRB.

Tab #10: Other, Old Business

Chairman Wyant asked for old business. None was heard.

Tab #11: Other, New Business

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 2:17 p.m.



David Wyant, Chairman
Consolidated Public Retirement Board



Anne Werum Lambright, Executive Director
Consolidated Public Retirement Board