



COMMONWEALTH of VIRGINIA

*Joint Legislative Audit and Review Commission
Suite 1100, General Assembly Building, Capitol Square
Richmond, Virginia 23219*

*Philip A. Leone
Director*

(804) 786-1258

MINUTES

July 10, 2006

Attending

JLARC Members:

Delegate Leo C. Wardrup, Vice-Chairman; Senator Charles J. Colgan; Delegate Kirkland Cox; Delegate Morgan Griffith; Delegate Frank D. Hargrove, Sr., Delegate Robert D. Orrock, Sr., Delegate Lacey E. Putney; Senator Martin Williams; and Mr. Walter J. Kucharski, *ex officio*.

JLARC Staff:

Phil Leone, Director; Glen Tittermary, Deputy Director; Trish Bishop, Jenny Breidenbaugh, Martha Erwin, Hal Greer, Joan Irby, Bob Rotz, Pinki Shah, and Rebecca Velarde (intern).

Others:

Stephen McElhaney, Mercer Human Resource Consulting; Robert Schultze, Director, VRS; Paul Timmreck, Chairman, VRS Board of Trustees; Charles Grant, Chief Investment Officer, VRS; Rory Badura, Mercer Human Resource Consulting; Jeanne Chenault, Patty Atkins-Smith, Brian Goodman, Larry Kicher, VRS; Joe Flores, Senate Finance Committee; Don Homan, Wachovia Retirement Services; Sherri Wyatt, Auditor of Public Accounts; Mary Jo Fields, Virginia Municipal League; Pete Geisen; Robert Vaughan, Craig Burns, Tony Maggio, House Appropriations Committee; Rob Jones, VEA; WCVE Reporter.

The meeting was called to order at 10:08 a.m. by Delegate Wardrup, Vice-Chairman. Delegate Wardrup recognized Mr. Phil Leone, staff Director, who introduced two new JLARC staff members, Pinki Shah and Rebecca Velarde (intern). Mr. Leone then provided the Commission with an overview of the meeting agenda (Enclosure 1).

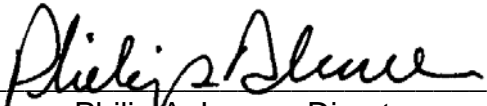
Mr. Leone then introduced Mr. Stephen T. McElhaney from Mercer Human Resource Consulting, who presented the findings from the Quadrennial Actuarial

Audit of the Virginia Retirement System (Enclosure 2). Mr. McElhaney answered several members' questions on the report (Enclosure 3). At the conclusion of Mr. McElhaney's presentation, Mr. Robert Schultze, VRS Director, commented briefly on the report. VRS provided a written response to the report (Enclosure 4). Delegate Wardrup called for a motion to receive the report and authorize printing. Senator Colgan made a motion to receive the report, which was seconded by Delegate Putney and approved by the Commission.

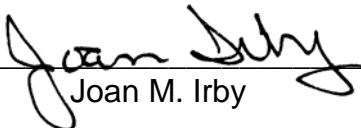
Following the receipt of the Quadrennial Actuarial Audit of the Virginia Retirement System report, Mr. Leone introduced Ms. Trish Bishop, JLARC's VRS oversight analyst, who presented a briefing (Enclosure 5) of the VRS Semi-Annual Investment Report (Enclosure 6). At the conclusion of Ms. Bishop's presentation, Delegate Wardrup called for a motion to receive the report and authorize printing. Delegate Putney made a motion, which was seconded by Senator Colgan and approved by the Commission.

Mr. Paul Timmreck, Chairman of the VRS Board of Trustees then presented an overview of recent changes to VRS and the Board of Trustees, in addition to informing the Commission of the upcoming VRS Board Retreat (Enclosure 7). Mr. Timmreck extended an invitation to the full Commission to attend the retreat. Mr. Timmreck then introduced Mr. Charles Grant, Chief Investment Officer for VRS, who presented the Commission with the annual VRS investment review. Mr. Grant then turned the presentation over to Mr. Robert Schultze, Director of VRS. Mr. Schultze provided a summary of VRS membership, funding, agency accomplishments, and new initiatives.

There being no further business, the Commission rose at 11:50 a.m.

Approved by: 
Philip A. Leone, Director

Date: July 12, 2006

Prepared by: 
Joan M. Irby