



COMMONWEALTH of VIRGINIA

Glen S. Tittermary
Director

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

(804) 786-1258

MINUTES

July 8, 2013

Attending

JLARC Members:

Delegate John M. O'Bannon, Chairman; Senator John C. Watkins, Vice-Chairman; Delegate David B. Albo, Senator Charles J. Colgan, Delegate M. Kirkland Cox, Senator Janet Howell, Delegate Johnny Joannou, Delegate Chris Jones, Delegate James P. Massie III, Senator Thomas K. Norment, Delegate Robert Orrock, Delegate Lacey E. Putney, Delegate Lionell Spruill, Sr., Senator Walter Stosch, Ms. Martha Mavredes, Ex Officio.

JLARC Staff:

Glen Tittermary, Director; Hal Greer, Deputy Director; Justin Brown, Division Chief; Nathalie Molliet-Ribet, Division Chief; Lauren Axselle, Jamie Bitz, Drew Dickinson, Kathy DuVall, Bridget Farmer, Nicole Gaffen, Mark Gribbin, Nia Harrison, Liana Kleeman, Paula Lambert, Ellen Miller, Laura Parker, Greg Rest, David Reynolds, Kimberly Sarte, Beth Singer, Walt Smiley, Tracey Smith.

Others:

Eric Sandridge (Audit Director of the Higher Education Programs specialty team, Auditor of Public Accounts); Diana Cantor, Bob Schultze, Ronald Schmitz, Jeanne Chenault, Steve McClellan, Rory Badura, Brian Goodman, and Cynthia Comer (Virginia Retirement System); Mary Morris, Gary Ometer, Sherri Wyatt, Chris McGee, and Vivian Shields (Virginia College Savings Plan); Danny White, Amy Williams, and Paul Wood (Gabriel, Roeder, Smith and Company); Robert Vaughan, Tony Maggio, and Michael Jay (House Appropriations Committee); Betsey Daley and Sarah Herzog (Senate Finance Committee); Robly Jones (Virginia Education Association); Mary Jo Fields (Virginia Municipal League); Mary Ann Curtin (Chesterfield County); Dean Lynch (VACO); Mark Smith (VCU); Brenda Atkins (Longwood); Ashley Colvin (VITA); Kasey Nabal (Session Aide for Senator Reeves); Michael Martz (Richmond Times-Dispatch).

The meeting was called to order at 10:00 a.m. by Delegate O'Bannon, Chairman. Delegate O'Bannon then recognized Glen Tittermary, JLARC staff Director, who introduced two new staff members to the Commission who joined the

JLARC staff on July 1: Bridget Farmer and Liana Kleeman. Delegate O'Bannon then provided some brief remarks recognizing Glen Tittermary's upcoming retirement after 35 years with the Commonwealth and JLARC, and presented him with a resolution to be signed by the Commission members and an engraved Jefferson cup. Mr. Tittermary thanked Delegate O'Bannon and provided the Commission with some brief remarks expressing his appreciation.

Mr. Tittermary then provided the Commission with an overview of the meeting agenda (Enclosure 1) and asked the members to select a date for purposes of conducting applicant interviews for JLARC's new Director. After some discussion, the Commission members agreed to interview applicants on Wednesday, August 21 from 10:00 a.m. to 2:00 p.m. in JLARC's large conference room (11th floor, General Assembly Building). Mr. Tittermary explained that all application materials will be mailed to the members after July 22 (the deadline for accepting applications) and JLARC staff will poll members the following week to determine which candidates they wish to interview.

Subsequently, Glen Tittermary introduced Martha Mavredes, Auditor of Public Accounts, who provided a brief status report on the Norfolk State Audit and introduced Eric Sandridge, Audit Director of the Higher Education Programs specialty team, who provided the Commission with a more detailed update on the audits being conducted at Norfolk State. Mr. Sandridge answered numerous questions of the Commission. At the conclusion of Mr. Sandridge's remarks, Mr. Tittermary introduced Tracey Smith who presented a briefing (Enclosure 2) of the *Semi-Annual VRS Investment Report and Report on VRS Investment Staff Incentive Pay Plan* (Enclosure 3). At the conclusion of Ms. Smith's presentation, Delegate O'Bannon requested a motion to receive the report and authorize printing. A motion was made by Delegate Massie and seconded by Delegate Jones. The motion was approved unanimously by the Commission.

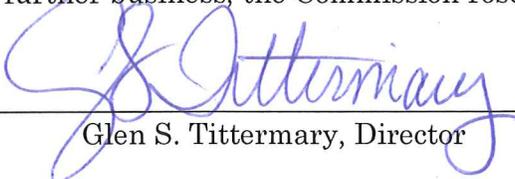
Delegate O'Bannon then welcomed Ms. Diana Cantor, Chair of the VRS Board of Trustees, who provided the Commission with an overview of VRS (Enclosure 4). Following Ms. Cantor's remarks, Mr. Ronald Schmitz, VRS Chief Investment Officer, presented an overview of VRS' investments and answered several questions from the Commission members. At the end of Mr. Schmitz's presentation, Mr. Bob Schultze, VRS' Director, provided the Commission with an overview of VRS membership, benefits funding, contribution rates, and pension reform initiatives.

At this time, Mr. Tittermary introduced Ellen Miller who presented a briefing overview (Enclosure 5) of the Virginia College Savings Plan. Following her presentation to the Commission, Ms. Miller introduced Ms. Amy Williams and Mr. Paul Wood, consultants with Gabriel, Roeder, Smith and Company who provided the Commission with a brief presentation (Enclosure 6) of the *2013 Quadrennial Actuarial Audit of the Virginia529 Prepaid Program* (Enclosure 7).

Lastly, Ms. Mary Morris (CEO for the Virginia College Savings Plan) provided the Commission with an overview of the VCSP (Enclosure 8). Following Ms. Morris' presentation and a number of questions from the Commission, Mr. Tittermary reminded the members of the applicant interview session scheduled for Wednesday, August 21 at 10:00 in JLARC's large conference room. Mr. Tittermary noted that lunches would be provided to the members that day.

There being no further business, the Commission rose at 1:00 p.m.

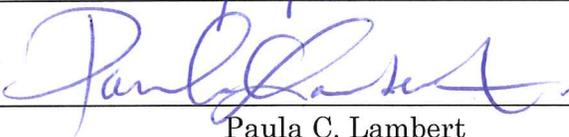
Approved by: _____


Glen S. Tittermary, Director

Date: _____

7/10/13

Prepared by: _____


Paula C. Lambert

Manager, Fiscal and Administrative Services &
Senior Legislative Analyst