

**MINUTES OF THE REGULAR MEETING OF THE
OKLAHOMA POLICE PENSION AND RETIREMENT BOARD**

**Board Room
1001 N.W. 63rd Street, Suite 305
Oklahoma City, Oklahoma 73116**

APRIL 18, 2012

The regular meeting of the Oklahoma Police Pension and Retirement Board was called to order by Chairman Charles Kerr at approximately 9:00 a.m. on Wednesday, April 18, 2012, in the Board Room of the Oklahoma Police Pension and Retirement System.

MEMBERS PRESENT: Craig Akard, Tom Custer, Tony Davenport, Jim Keesee, Charles Kerr, Andy McPherson, Randy Scott, Rick Smith, W. B. Smith and Frank Stone

OTHERS: Steven K. Snyder, Executive Director; Darcie Gordon, Administrative Assistant; Nan J. Patton, Legal Advisor; George Tarlas, Asset Consulting Group; Laura Atchley, Arbuckle Life Solutions, Inc.; Corporal John R. Randolph, III, Ardmore Police Department; Jason Qualls, and Retha Qualls

MEMBERS ABSENT: Susan Knight and Brandy Manek

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Note Brandy Manek arrived at approximately 9:16 a.m. and Susan Knight arrived at approximately 9:20 a.m.

APPROVAL OF MINUTES OF BOARD MEETING HELD MARCH 21, 2012

Motion by Craig Akard and second by Randy Scott to approve the Minutes of the Regular Board Meeting held March 21, 2012. Ayes: Craig Akard, Tom Custer, Tony Davenport, Jim Keesee, Charles Kerr, Randy Scott, Rick Smith, W. B. Smith and Frank Stone. Abstain: Andy McPherson. Absent: Susan Knight and Brandy Manek. Motion Carried.

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HEARING: CASE NO. OPRB 11-10, APPLICATION FOR DISABILITY BENEFIT NOT IN LINE OF DUTY FOR JASON QUALLS, ARDMORE

Mr. Jason Qualls was in attendance at the hearing accompanied by Laura Atchley, Arbuckle Life Solutions, Inc. and his wife Retha Qualls.

Mr. Snyder gave a brief update of the case to the Board and introduced the following documents into the record:

- Exhibit 1 – Notice of Hearing, dated 4/11/12
- Exhibit 2 - Letter from Jason Qualls waiving the 10 days hearing notice, dated 4/9/12
- Exhibit 3 - Application for Disability Not in Line of Duty, dated 12/6/12
- Exhibit 4 - Interoffice Memo from Captain Eric Hamblin recommending 2 days suspension for Mr. Qualls, dated 8/10/11

- Exhibit 5 - Letter from the City of Ardmore/Kenneth Campbell (HR Director) stating Mr. Qualls is being placed on FMLA leave, dated 9/16/11
- Exhibit 6 - Letter from the City of Ardmore/J.D. Spohn (City Manager) asking Mr. Qualls to designate Ms. Laura Atchley to talk to the city on his behalf, dated 11/14/11
- Exhibit 7 - Letter from City of Ardmore/Kenneth Campbell (Interim HR Director) stating there is no position for Mr. Qualls at the City of Ardmore, dated 11/22/11
- Exhibit 8 - Letter from Laura Atchley/Arbuckle Life Solutions stating it is her opinion Mr. Qualls should pursue early medical retirement, dated 11/22/11
- Exhibit 9 - Medical Report from Stephen E Hoch, PA/Dr. Rod Linzman, DO/Family Clinic of Ringling stating it is their opinion that Mr. Qualls should pursue early medical retirement, dated 11/28/11
- Exhibit 10 - Letter from Laura Atchley/Arbuckle Life Solutions stating additional diagnosis, dated 1/23/12
- Exhibit 11 - Medical Report from Dr. John Munneke, dated 3/8/12
- Exhibit 12 - Medical Report from Dr. David E. Johnsen, dated 3/15/12
- Exhibit 13 - Medical Report from Dr. John Munneke, dated 4/5/12
- Exhibit 14 - Letter of Commendation from Sgt. Patrick James, Ardmore Police Dept, dated 2/4/02
- Exhibit 15 - Letter from Capt. Johnson, Ardmore Police Dept, dated 5/24/04
- Exhibit 16 - Letter from Chief Jim Hughes, Ardmore Police Dept, dated 4/20/05
- Exhibit 17 - Letter of Commendation from Special Agent Michael Ward, US Dept of Justice –FBI, dated 10/4/07
- Exhibit 18 - Certificate of Appreciation from Robert Muller III, Director, US Dept of Justice-FBI, dated 12/07
- Exhibit 19 - Letter from Corp. John R. Randolph, III, Ardmore Police Dept/FOP, dated 4/15/12
- Exhibit 20 - Letter from Sgt. Lynne James, Ardmore Police Dept, dated 4/15/12
- Exhibit 21 - Letter from Laura Atchley, Arbuckle Life Solutions, regarding information in the medical reports, dated 4/17/12
- Exhibit 22 - Letter from Retha Qualls, wife. Undated

Mr. Jason Qualls, Ms. Laura Atchley, and Mr. John Randolph were all sworn in and presented testimony to the board regarding the previous state of Mr. Qualls, the current state of Mr. Qualls and the events leading up to the current state of Mr. Qualls.

Legal Advisor, Nan Patton, recommended that the board go into Executive Session.

Motion by Tony Davenport and second by Craig Akard that the board go into Executive Session (at approximately 9:36 am). Ayes: Craig Akard, Tom Custer, Tony Davenport, Jim Keesee, Charles Kerr, Susan Knight, Brandy Manek, Andy McPherson, Randy Scott, Rick Smith, W. B. Smith and Frank Stone. Absent: None. Motion Carried.

Motion by Craig Akard and second by Rick Smith that the board go back into Open Session (at approximately 9:50 am). Ayes: Craig Akard, Tom Custer, Tony Davenport, Jim Keesee, Charles Kerr, Susan Knight, Brandy Manek, Andy McPherson, Randy Scott, Rick Smith, W. B. Smith and Frank Stone. Absent: None. Motion Carried.

Motion by Craig Akard and second by Tony Davenport to award Mr. Qualls a disability in line of duty based on an impairment of 60% to the whole person, which equates to 75% of the normal disability benefit. Ayes: Craig Akard, Tom Custer, Tony Davenport, Jim Keesee, Charles Kerr, Susan Knight, Brandy Manek, Andy McPherson, Randy Scott, Rick Smith, W. B. Smith and Frank Stone. Absent: None. Motion Carried.

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CONSIDERATION AND VOTE, SUBJECT TO BOARD’S EXCEPTION, ON THE FOLLOWING APPLICATIONS

a. Application for Participation:

<u>Name</u>	<u>City</u>
Ross J. Costa	Davis
Brian L. Mossier	Dewey
Joshua P. Stone	Harrah
Colby D. Barnett	Krebs
Benjamin J. Hudson	Muskogee
Jim C. Standifird	Muskogee
John T. O’Brien	Newkirk
Ryan R. Wells	Nichols Hills
Matthew W. Smith	Nowata
David H. Alvord	Oklahoma City
Amanda L. Anderson	Oklahoma City
Lyndee E. Black	Oklahoma City
Kelley A. Chase	Oklahoma City
Benjamin E. Clark	Oklahoma City
Matthew C. Finley	Oklahoma City
Gregory D. Franklin	Oklahoma City
Robert M. Jones	Oklahoma City
Ryan D. Keever	Oklahoma City
Eugene L. Logan	Oklahoma City
Jeremy D. Looper	Oklahoma City
Brandi N. May	Oklahoma City
Leigh E. Prucha	Oklahoma City
David A. Putt, II	Oklahoma City
Destry P. Richardson	Oklahoma City
William F. Robison	Oklahoma City
Autumn B. Sheets	Oklahoma City
Jakob K. Siler	Oklahoma City
Justin M. Thee	Oklahoma City
Christina M. Turner	Oklahoma City
Michael J. Visbal	Oklahoma City

Paul B. White	Oklahoma City
Christopher L. Ayers	Seminole
Chris B. Edwards	Skiatook
Corey B. Stewart	Skiatook
Clinton J. Glass	Wewoka
Christopher W. Reinke	Drumright
Joseph W. Lard	Duncan
Sammy L. Weygand, II	Elk City
Caleb N. Vanmeter	Henryetta
Raymond L. Leach	Hominy
Mark A. Garrett	Oklahoma City
Daniel D. Perkins	Weatherford

b. Application for Refund of Contributions

<u>Name</u>	<u>City</u>
Lesley Amriott	Atoka
Russell R. Renfrae	Bartlesville
Adam K. Walker	Bartlesville
James A. Thompson	Clinton
Tina Manglona	Elk City
Marshall Stafford	Norman
Jeffrey Gramling	Oklahoma City
Clark J. Burkhalter, Jr.	Okmulgee
Jonathon A. Reece	Pauls Valley
Raymond J. Scott	Weatherford
Nicholas D. Silva	Dewey
Cecil Piercy	Tulsa
Keziya Y. Thomas	Tulsa

c. Application for Participation in the Oklahoma Police Deferred Option Plan Under the Back Drop Provision

<u>Name</u>	<u>City</u>	<u>DOP Eff. Date</u>	<u>Service Pension Eff. Date</u>
Paul J. Kroutter, Jr.	Broken Arrow	07/01/2011	08/01/2012
Jim E. Naggle	Poteau	05/01/2007	05/01/2012
Christopher L. Lacy	Tulsa	06/01/2007	06/01/2012
Steven M. Colker	Oklahoma City	06/01/2007	06/01/2012
Vanessa E. Price	Oklahoma City	11/01/2010	05/01/2012
Timothy H. Kinman	The Village	05/01/2007	05/01/2012

d. Terminate Deferred option Plan to Begin Service Pension

<u>Name</u>	<u>City</u>	<u>Eff. Date</u>
Gregory L. Martin	Muskogee	05/01/2012
Daniel R. Shubert	Oklahoma City	05/01/2012
Michael Okonczak	Oklahoma City	05/01/2012

e. Application for Service Pension:

<u>Name</u>	<u>City</u>	<u>Eff. Date</u>
Chris L. Gayhart	Oklahoma City	03/28/2012
Richard A. Alvarado	Oklahoma City	04/17/2012

f. Application for Vested Benefit:

<u>Name</u>	<u>City</u>	<u>Eff. Date</u>
William P. Orsburn	Midwest City	03/30/2023

g. Death Benefit:

<u>Name</u>	<u>City</u>
Jane E. Sell, Personal Rep. of Betty J. Horner	Bartlesville
Bonnie McBee, widow of Wilbur S. McBee	El Reno
Beverly M. Story, widow of Jimmie D. Story	Oklahoma City
Eva J. Garrett, widow of James F. Garrett	Tulsa
Marion J. McMinn, widow of Clarence W. McMinn	Miami
Daisy Harper, widow of Billie I. Harper	Tulsa

h. Application for Monies Due the Estate from the System

<u>Name</u>	<u>City</u>
Jane E. Sell, Personal Rep. of Betty J. Horner	Bartlesville
Teresa Totty, Personal Rep. of Lorene Tate	Duncan

i. Continuation of Benefit

<u>Name</u>	<u>City</u>
Bonnie McBee, widow of Wilbur S. McBee	El Reno
Beverly M. Story, widow of Jimmie D. Story	Oklahoma City
Eva J. Garrett, widow of James F. Garrett	Tulsa
Marion J. McMinn, widow of Clarence W. McMinn	Miami
Daisy Harper, widow of Billie I. Harper	Tulsa

j. Termination of Benefit

<u>Name</u>	<u>City</u>
Betty J. Horner	Bartlesville
Lorene Tate	Duncan

Motion by Craig Akard and second by Jim Keesee for approval of applications for Police Deferred Option Plan, Participation, Service Pension, Refunds and Benefits and the Addendum. Ayes: Craig Akard, Tom Custer, Tony Davenport, Jim Keesee, Charles Kerr, Susan Knight, Brandy Manek, Andy McPherson, Randy Scott, Rick Smith, W. B. Smith and Frank Stone. Absent: None. Motion Carried.

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TERRENCE C. BRANNON, CUSHING – REQUEST TO BUY BACK PRIOR SERVICE WHILE EMPLOYED WITH THE CUSHING POLICE DEPARTMENT FROM 5/11/1990 TO 11/25/1993. BOARD TO TAKE APPROPRIATE ACTION AS DEEMED NECESSARY.

Motion by Tony Davenport and second by Andy McPherson for approval of request to buy back prior service while employed with the Cushing Police Department from 5/11/1990 to 11/25/1993. Ayes: Craig Akard, Tom Custer, Tony Davenport, Jim Keesee, Charles Kerr, Susan Knight, Brandy Manek, Andy McPherson, Randy Scott, Rick Smith, W. B. Smith and Frank Stone. Absent: None. Motion Carried.

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REVIEW OF BOARD REPORTS

The Account #6000, Fund 20000 (operating expenses), report is attached as Exhibit "A"; the Account #8557A, Fund Expenditures (receipts and disbursements), report for March 2012 is attached as Exhibit "B"; the Broker Commission Report is attached as Exhibit "C"; and the report for the Statement of Total Fund is attached as Exhibit "D."

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ASSET CONSULTING GROUP – FINANCIAL CONSULTANT REPORT FOR MONTH ENDED MARCH 31, 2012, AND DISCUSSION ON REBALANCING PORTFOLIO ASSETS AMONG VARIOUS ASSET STRATEGIES AND MANAGERS; BOARD TO TAKE APPROPRIATE ACTION AS DEEMED NECESSARY

Mr. Tarlas briefly reviewed the ASAP report for the month ended March 31, 2012, a copy of which is attached as Exhibit "E". As of March 31, 2012, the total Fund was approximately \$1,807,136.00. The one-year return net of fees for the total Fund is 2.85%.

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FINLEY & COOK, PLLC – CERTIFICATION OF ELECTION RESULTS FOR STATE BOARD DISTRICTS 1 AND 4. BOARD TO TAKE APPROPRIATE ACTION AS DEEMED NECESSARY.

Mr. Snyder reviewed the results of Districts 1 and 4. The incumbents drew no opponents. Tom Custer will represent District 1 and Jimmy Wayne Keesee with represent District 4.

Motion by W.B. Smith and seconded by Randy Scott to approve certification of election results by Finley & Cook for Districts 1 & 4. Ayes: Craig Akard, Tom Custer, Tony Davenport, Jim Keesee, Charles Kerr, Susan Knight, Brandy Manek, Andy McPherson, Randy Scott, Rick Smith, W. B. Smith and Frank Stone. Absent: None. Motion Carried.

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CONSIDERATION AND VOTE TO ESTABLISH A TIME FRAME FOR A SPECIAL ELECTION TO FILL THE STATE BOARD DISTRICT 5 POSITION WHICH BECAME VACANT APRIL 1, 2012, DIFFERENT FROM THAT OF THE NORMAL NOMINATION/ELECTION PROCESS PURSUANT TO OAC 550:1-3-5. BOARD TO TAKE APPROPRIATE ACTION AS DEEMED NECESSARY.

Mr. Snyder reviewed the schedule for the District 5 Special Election to fill the seat vacated by Jeff Cealka.

Motion by W.B. Smith and seconded by Tom Cuter to approve the time frame for a special election to fill the state board District 5 position. Ayes: Craig Akard, Tom Custer, Tony Davenport, Jim Keesee, Charles Kerr, Susan Knight, Brandy Manek, Andy McPherson, Randy Scott, Rick Smith, W. B. Smith and Frank Stone. Absent: None. Motion Carried.

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REVIEW OF BILLS INTRODUCED BY THE HOUSE OF REPRESENTATIVES AND THE SENATE WHICH WOULD IMPACT THE OKLAHOMA POLICE PENSION AND RETIREMENT SYSTEM AND/OR OTHER STATE RETIREMENT SYSTEMS

Mr. Snyder reviewed with the board 2 bills that could potentially affect OPPRS or other retirement systems in the state. The tax bill, SB 1214 has been signed by the Governor. HB 2319 is still in committee and problematic due to the 1% increase to the municipalities. The Municipal League is against this bill.

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DISCUSSION OF STATUS OF REAL ESTATE SEARCH AND SALE OF REAL ASSETS. - PROPOSED EXECUTIVE SESSION, TO DISCUSS AND DELIBERATE STATUS OF REAL ESTATE SEARCH AND SALE OF REAL ASSETS PURSUANT TO 25 O.S. § 307(B)(3)

Mr. Snyder stated that an Executive Session was not necessary. He stated the building language has been inserted into HB 2319 which is problematic due to the increase of contributions. He stated there were no new properties at this time but would continue looking for buildings to purchase as well as land and options to build.

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LITIGATION REPORT – PROPOSED EXECUTIVE SESSION, IF DEEMED NECESSARY BY LEGAL COUNSEL TO DISCUSS CASE NO 1:12-CV-00276, IN RE CAREER EDUCATION CORPORATION (UNITED STATES DISTRICT COURT, NORTHERN DISTRICT OF ILLINOIS); CASE NO. 2:10-CV-01061-NBF-RCM, IN RE EDUCATION MANAGEMENT CORPORATION (UNITED STATES DISTRICT COURT, WESTERN DISTRICT OF PENNSYLVANIA); CASE NO. 2-11-CV-00173-DLB-CJS IN RE OMNICARE, INC (UNITED STATES DISTRICT COURT, EASTERN DISTRICT OF KENTUCKY); AND TO DISCUSS OTHER POTENTIAL LITIGATION WITH LEGAL COUNSEL PURSUANT TO 25 O.S. § 307(B)(4) IN THAT DISCLOSURE WILL SERIOUSLY IMPAIR THE ABILITY OF THE BODY TO CONDUCT A PENDING PROCEEDING IN THE PUBLIC INTEREST

Mr. Snyder stated that an Executive Session was not necessary. Career Education Corporation is pending and Education Management has been dismissed.

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NEW BUSINESS

No new business

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BOARD MEMBERS' REPORTS

No board members reports

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DISCUSSION OF SEMINARS/CONFERENCES. BOARD TO TAKE APPROPRIATE ACTION AS DEEMED NECESSARY

The board discussed upcoming NCPERS and IFEBP conferences.

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DIRECTOR'S REPORT

Mr. Snyder reported that the ethics forms had not been mailed out.

The rules were signed by the Governor on March 30, 2012

The Investment Managers Dinner tonight will be downtown at the Petroleum Club.

Mr. Snyder reported that he had received a letter and certificate stating that the comprehensive annual financial report (CAFR) qualified for a Certificate of Achievement for Excellence in Financial Reporting.

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At approximately 10:59 am, Chairman Kerr announced the meeting was recessed until 1:00 pm.

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At approximately 1:00 pm, Chairman Kerr announced the meeting was back in order.

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The representatives of the investment managers listed below made presentations to the Board which included a brief overview of the presenter and their firm, any relevant changes within their organization, their outlook on the financial marketplace, and how their portfolio is positioned to take advantage of that outlook, etc.:

- Loomis Sayles**
- Raffaello Distefano
- Kenneth Johnson

PAAMCO

Jim Meehan
Jeff Willardson

Boston Partners

Carolyn Margiotti

Warburg Pincus

John Shearburn

Oaktree

Talbot Carleton
Andrew Watts

A quorum of the Board did attend a reception/dinner, during which business of the System was not discussed. The reception/dinner was held at the Petroleum Club Downtown, 100 N. Broadway Oklahoma City, Oklahoma.

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Notice of this meeting was filed with the Secretary of State and the agenda for the meeting was posted in compliance with the Open Meeting Act.

RESPECTFULLY SUBMITTED BY DARCIE GORDON, ADMINISTRATIVE ASSISTANT.