

**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 17, 2013

The regular meeting of the Oklahoma Police Pension and Retirement Board was called to order by Chairman Tom Custer at approximately 9:00 a.m. on Wednesday, April 17, 2013, in the Board Room of the Oklahoma Police Pension and Retirement System.

MEMBERS PRESENT: Craig Akard, Tom Custer, Tony Davenport, Jim Keesee, Charles Kerr, Susan Knight, Brandy Manek, Andy McPherson, Ryan Perkins, Rick Smith, W.B. Smith, and Frank Stone.

OTHERS: Steven K. Snyder, Executive Director; Darcie Gordon, Administrative Officer; Sean Ruark, Pension Analyst; Deric Berousek, Chief Financial Officer; Christina Hirschman, Executive Legal Assistant; Kim Heaton, Attorney General's Office; Tom Janisch, Asset Consulting Group; and Marsha VanHoutte.

MEMBERS ABSENT: Randy Scott

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RECOGNITION OF DEBBIE DUNN FOR HER SERVICE TO THE STATE OF OKLAHOMA AND THE OKLAHOMA POLICE PENSION AND RETIREMENT SYSTEM

Motion by W.B. Smith and second by Craig Akard to accept the Recognition of Debbie Dunn for her service to the State of Oklahoma and the Oklahoma Police Pension and Retirement System. Ayes: Craig Akard, Tom Custer, Tony Davenport, Jim Keesee, Charles Kerr, Susan Knight, Brandy Manek, Andy McPherson, Ryan Perkins, Rick Smith, W. B. Smith and Frank Stone. Absent: Randy Scott. Motion Carried.

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HEARING: CASE NO. OPPRB 11-04, APPLICATION FOR DISABILITY BENEFIT IN LINE OF DUTY FOR JULIE HUSKINS, SHAWNEE

Ms. Julie Huskins was not in attendance at the hearing and was not represented by legal counsel.

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

- OPPRS Exhibit #15 – Medical Report from Dr. John Munneke, dated April 4, 2013

Motion by Craig Akard and second by W.B Smith to go into Executive Session (at approximately 9:05 am). Ayes: Craig Akard, Tom Custer, Tony Davenport, Jim Keesee, Charles Kerr, Susan Knight, Brandy Manek, Andy McPherson, Ryan Perkins, Rick Smith, W. B. Smith and Frank Stone. Absent: Randy Scott. Motion Carried.

Motion by Tony Davenport and second by Andy McPherson to go back into Open Session (at approximately 9:10 am). Ayes: Craig Akard, Tom Custer, Tony Davenport, Jim Keesee, Charles Kerr, Susan Knight, Brandy Manek, Andy McPherson, Ryan Perkins, Rick Smith, W. B. Smith and Frank Stone. Absent: Randy Scott. Motion Carried.

Motion by Jim Keesee and second by Tony Davenport to award Ms. Julie Huskins a disability benefit in line of duty based on an impairment of 58% to the whole person which equates to 75% of the normal disability retirement. Ayes: Craig Akard, Tom Custer, Tony Davenport, Jim Keesee, Charles Kerr, Susan Knight, Brandy Manek, Andy McPherson, Ryan Perkins, Rick Smith, W. B. Smith and Frank Stone. Absent: Randy Scott. Motion Carried.

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HEARING: CASE NO. OPPRB 12-02, APPLICATION FOR DISABILITY BENEFIT IN LINE OF DUTY FOR MARSHA VANHOUTTE, CHOCTAW

Ms. Marsha VanHoutte was in attendance at the hearing and was not represented by legal counsel. Ms. VanHoutte did testify on her behalf.

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

- Exhibit #1 – Notice of Hearing, dated September 6, 2012
- Exhibit #2 – Application for Disability Benefit in Line of Duty, dated February 22, 2012
- Exhibit #3 – Letter from the City of Choctaw stating there was no position for the officer, dated February 1, 2012
- Exhibit #4 – Medical Report from Dr. John Munneke, dated August 27, 2012
- Exhibit #5 – Supplemental Report from Dr. John Munneke, dated April 4, 2013

Motion by Craig Akard and second by Jim Keesee to go into Executive Session (at approximately 9:18 am). Ayes: Craig Akard, Tom Custer, Tony Davenport, Jim Keesee, Charles Kerr, Susan Knight, Brandy Manek, Andy McPherson, Ryan Perkins, Rick Smith, W. B. Smith and Frank Stone. Absent: Randy Scott. Motion Carried.

Motion by Andy McPherson and second by Craig Akard to go back into Open Session (at approximately 9:28 am). Ayes: Craig Akard, Tom Custer, Tony Davenport, Jim Keesee, Charles Kerr, Susan Knight, Brandy Manek, Andy McPherson, Ryan Perkins, Rick Smith, W. B. Smith and Frank Stone. Absent: Randy Scott. Motion Carried.

Motion by Jim Keesee and second by Tony Davenport to award Ms. Marsha VanHoutte a disability benefit in line of duty based on an impairment of 30% to the whole person which equates to 50% of the normal disability retirement. Ayes: Craig Akard, Tom Custer, Tony Davenport, Jim Keesee, Charles Kerr, Susan Knight, Brandy Manek, Andy McPherson, Ryan Perkins, Rick Smith, W. B. Smith and Frank Stone. Absent: Randy Scott. Motion Carried.

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APPROVAL OF MINUTES OF BOARD MEETING HELD MARCH 27, 2013

Motion by Charles Kerr and second by Craig Akard to approve the Minutes of the Regular Board Meeting held March 27, 2013. Ayes: Craig Akard, Tom Custer, Tony Davenport, Jim Keesee, Charles Kerr, Susan Knight, Brandy Manek, Andy McPherson, Ryan Perkins, Rick Smith, W. B. Smith and Frank Stone. Absent: Randy Scott. 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> |
|-------------------------|-------------|
| Jennifer L. Kearns | Altus |
| Jared L. Taylor | Ardmore |
| Thomas B. Billy | Atoka |
| Richard T. Fenton | Cleveland |
| Jeremy J. Brooks | Durant |
| Michael N. Goodlow, Jr. | Durant |
| Bradley K. Nelson | Durant |
| Joseph L. Cantrell | Henryetta |
| John E. Currid | Mangum |
| Ali S. Holmes | Spencer |
| Ryan C. Robertson | Spencer |
| Jamie A. Sanchez | Spencer |
| William R. Milbourn | Watonga |
| Matthew J. Mericle | Ada |
| Brian J. Tomsovic | Ada |
| Suzanne A. Cook | Del City |
| James D. McDaniel, Jr. | Mangum |
| Joshua T. Sanders | Okmulgee |

b. Application for Refund of Contributions:

| <u>Name</u> | <u>City</u> |
|---------------------|---------------|
| Jose Arce | Altus |
| Garrett Hammond | Atoka |
| Monico Segovia, III | Frederick |
| Stephen A. Lee | Haskell |
| Gary H. McCool | Midwest City |
| Luke B. McCabe | Norman |
| David H. Alvord | Oklahoma City |
| Jeffrey Carty | Woodward |
| Robert M. Murray | Hobart |
| Nicholas Dees | Idabel |
| Buddy L. King | Okeene |
| Tony Gregory | Oklahoma City |

- 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> |
|-----------------|---------------|----------------------|----------------------------------|
| Robert A. Nash | Oklahoma City | 06/01/2008 | 06/01/2013 |
| Randy L. Hughes | Tulsa | 04/01/2008 | 04/01/2013 |
| Lyle S. Day | Tulsa | 04/01/2008 | 04/01/2013 |

- d. Application for Service Pension:

| <u>Name</u> | <u>City</u> | <u>Eff. Date</u> |
|------------------|-------------|------------------|
| Gary J. Puckett | Norman | 05/01/2013 |
| John C. Kruithof | Stillwater | 05/01/2013 |

- e. Application for Vested Benefit:

| <u>Name</u> | <u>City</u> | <u>Eff. Date</u> |
|-----------------|-------------|------------------|
| Dallas G. Jones | Tulsa | 07/22/2017 |

- f. Death Benefit:

| <u>Name</u> | <u>City</u> |
|---|---------------|
| Frances R. Hoskins, widow of Jackie R. Hoskins | Bethany |
| Ines M. Holloway, widow of Mickey L. Holloway | Lawton |
| Juanita Hayes–Hill, widow of Charles G. Hill | Oklahoma City |
| Timothy K. Parker, widower of Susan A. Parker | Oklahoma City |
| Bettye J. Marek, Personal Rep. of Ray H. Ragland | Midwest City |
| Julie Tucker, Personal Rep. of John H. Jarrett | Tulsa |
| Sonia C. Roberts, widow of Thomas R. Roberts | Lawton |
| Janet K. Greene, widow of Jimmy W. Greene | Tulsa |
| Felicia Scott, Personal Rep. of Weldon J. Frieling | Tonkawa |
| Philip Guinn, Personal Rep. of Glenn A. Guinn | Ponca City |
| Carla Cargill, Personal Rep. of Carl F. Lindgren | Lawton |

- g. Continuation of Benefit:

| <u>Name</u> | <u>City</u> |
|---|---------------|
| Frances R. Hoskins, widow of Jackie R. Hoskins | Bethany |
| Ines M. Holloway, widow of Mickey L. Holloway | Lawton |
| Juanita Hayes–Hill, widow of Charles G. Hill | Oklahoma City |
| Timothy K. Parker, widower of Susan A. Parker | Oklahoma City |
| Sonia C. Roberts, widow of Thomas R. Roberts | Lawton |
| Janet K. Greene, widow of Jimmy W. Greene | Tulsa |

h. Application for Monies Due the Estate from the System:
Name City
 Ruth Doyle, Personal Rep. of El Reno
 Joan J. Bourquin

i. Termination of Benefit:
Name City
 Joan J. Bourquin El Reno
 Ray H. Ragland Midwest City
 John H. Jarrett Tulsa
 Weldon J. Frieling Tonkawa
 Glenn A. Guinn Ponca City
 Carl F. Lindgren Lawton

Motion by Craig Akard and second by Charles Kerr 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, Ryan Perkins, Rick Smith, W. B. Smith and Frank Stone. Absent: Randy Scott. Motion Carried.

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STEVEN COX, NICHOLS HILLS – REQUEST TO BUY BACK PRIOR SERVICE WHILE EMPLOYED WITH THE NICHOLS HILLS POLICE DEPARTMENT FROM 08/02/1999 TO 04/08/2002. BOARD TO TAKE APPROPRIATE ACTION AS DEEMED NECESSARY.

Motion by Charles Kerr and second by Tony Davenport for approval of request to buy back prior service while employed with the Nichols Hills Police Department from 08/02/1999 to 04/08/2002. Ayes: Craig Akard, Tom Custer, Tony Davenport, Jim Keesee, Charles Kerr, Susan Knight, Brandy Manek, Andy McPherson, Ryan Perkins, Rick Smith, W. B. Smith and Frank Stone. Absent: Randy Scott. 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 2013 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, 2013, AND DISCUSSION ON REBALANCING PORTFOLIO ASSETS AMONG VARIOUS ASSET STRATEGIES AND MANAGERS; BOARD TO TAKE APPROPRIATE ACTION AS DEEMED NECESSARY.

Mr. Tom Janisch reviewed the ASAP report for the month ended March 31, 2013, a copy of which is attached as Exhibit "E". As of March 31, 2013, the total Fund was approximately \$1,960,278,000.00. The one-year return net of fees for the total Fund is 9.78%.

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ASSET CONSULTING GROUP – DISCUSSION AND POSSIBLE VOTE ON SELECTION OF HEDGE FUND(S) MANAGERS. BOARD TO TAKE APPROPRIATE ACTION AS DEEMED NECESSARY.

Mr. Tom Janisch reviewed “GLSEF Direct Portfolio (Class B) Action Plan”, a copy of which is attached as Exhibit “F”. Mr. Janisch recommended OPPRS invest \$7.5 million with Southpoint Offshore Fund, Ltd.

Motion by W.B. Smith and second by Charles Kerr to invest \$7.5 million with Southpoint Offshore Fund, Ltd. Ayes: Craig Akard, Tom Custer, Tony Davenport, Jim Keese, Charles Kerr, Susan Knight, Brandy Manek, Andy McPherson, Ryan Perkins, Rick Smith, W. B. Smith and Frank Stone. Absent: Randy Scott. Motion Carried.

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ASSET CONSULTING GROUP – PRESENTATION OF LONG-TERM STRATEGIC ANALYSIS. BOARD TO TAKE APPROPRIATE ACTION AS DEEMED NECESSARY.

Mr. Tom Janisch reviewed “Oklahoma Police Pension & Retirement System Long-Term Strategic Analysis, April 2013”, a copy of which is attached as Exhibit “G”

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FINLEY & COOK, PLLC – CERTIFICATION OF ELECTION RESULTS FOR STATE BOARD DISTRICTS 2, 5, AND 7. BOARD TO TAKE APPROPRIATE ACTION AS DEEMED NECESSARY.

Motion by Tony Davenport and second by Charles Kerr to approve Certification of Election Results for state board districts 2, 5, & 7. Ayes: Tom Custer, Tony Davenport, Jim Keese, Charles Kerr, Susan Knight, Brandy Manek, Andy McPherson, Ryan Perkins, Rick Smith, W. B. Smith and Frank Stone. Absent: Randy Scott. Abstain: Craig Akard. Motion Carried.

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LEGISLATIVE UPDATE

Mr. Steven Snyder briefly updated the Board on the status of pension related bills. HB1324 has passed the Senate with the title on. It will now go to the House and then to the Governor for signature. The two shell bills HB2037 and HB 2038 are now dormant.

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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. 5:12-CV-00195-KKC, IN RE TEMPUR-PEDIC INTERNATIONAL, INC (UNITED STATES DISTRICT COURT, EASTERN DISTRICT OF KENTUCKY); CASE NO.1:12-CS-12137, IN RE ABIOMED, INC (UNITED STATES DISTRICT COURT, DISTRICT OF MASSACHUSETTS); 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. He stated that we were waiting on Lead Plaintiff Certification on Career Education Corp., OPPRS had been appointed Lead Plaintiff in the Tempur-Pedic case, and OPPRS was not appointed lead plaintiff in the Abiomed case.

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NEW BUSINESS

No New Business

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BOARD MEMBERS' REPORTS

Mr. Ryan Perkins advised the board that Tulsa Police Department would be holding four (4) Pension 101 classes and Sean would be coming to speak at some of them. He also wanted to commend the OPPRS staff for the way they had handled the increased volume of calls.

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

Mr. Steven Snyder advised the board that NCPERS was coming up next month and IFEBP was in October at Mandalay Bay.

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DIRECTOR'S REPORT

Mr. Snyder reported that next month the board would set a timeline for filling the seat left empty by Randy Scott. He advised the board that April 30th was Debbie Dunn's last day and May 31st was Dusty Brassfield's last day. He also reported that Sean had talked to Pension Gold and they would be putting a modification in the system so that OBNDD, OSBI, and ABLE Commission issue will not be repeated.

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RICHARD S. DAVIS, OWASSO – REQUEST TO RESCIND APPLICATION FOR VESTED BENEFIT APPROVED 10/19/2011 AND REQUEST TO APPROVE APPLICATION FOR REFUND OF CONTRIBUTIONS. BOARD TO TAKE APPROPRIATE ACTION AS DEEMED NECESSARY.

Motion by W.B. Smith and second by Charles Kerr to approve request to rescind Application for Vested Benefit approved 10/19/11 and request to approve Application for Refund of Contributions.. Ayes: Craig Akard, Tom Custer, Tony Davenport, Jim Keesee, Charles Kerr, Susan Knight, Brandy Manek, Andy McPherson, Ryan Perkins, Rick Smith, W. B. Smith and Frank Stone. Absent: Randy Scott. Motion Carried.

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TOWN OF LAMONT – RESOLUTION TO AFFILIATE AND JOIN THE OKLAHOMA POLICE PENSION AND RETIREMENT SYSTEM. BOARD TO TAKE APPROPRIATE ACTION AS DEEMED NECESSARY.

Motion by W.B. Smith and second by Charles Kerr to approve Town of Lamont - Resolution to Affiliate and Join the Oklahoma Police System Ayes: Craig Akard, Tom Custer, Tony Davenport, Jim Keesee, Charles Kerr, Susan Knight, Brandy Manek, Andy McPherson, Ryan Perkins, Rick Smith, W. B. Smith and Frank Stone. Absent: Randy Scott. Motion Carried.

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DISCUSSION OF PENSION FUND CONSOLIDATION/CONVERSION ISSUES. BOARD TO TAKE APPROPRIATE ACTION AS DEEMED NECESSARY.

Mr. Snyder briefly advised the board on the issues of consolidation and conversion issues. He stated that consolidation was the big issue, but conversion was also an issue.

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The meeting was recessed at approximately 10:53 am, until 1:00 pm.

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At approximately 12:57 pm, Chairman Custer announced that 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.:

VONTOBEL

Doug Bennett
Amit Mukadam

BARINGS

David Bertocchi
Barbara Cassidy

WASATCH

Jared Whatcott
Kitty Swenson

AGINCOURT

Patrick O'Hara
Brad Coats

LEVINE LEICHTMAN

Steve Hogan
Kimberly Pollack

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 Opus Prime Steakhouse, 800 W. Memorial Rd, Oklahoma City, Oklahoma.

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The meeting was adjourned at approximately 4:00 pm

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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 DARCIÉ GORDON, ADMINISTRATIVE OFFICER.