

**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
August 17, 2011

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, August 17, 2011, in the Board Room of the Oklahoma Police Pension and Retirement System.

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

OTHERS: Steven K. Snyder, Executive Director; Marla Hensley, Administrative Officer; Darcie Gordon, Administrative Assistant; Nan J. Patton, Legal Advisor; George Tarlas, Asset Consulting Group, and Ray Ix, Mt. Lucas, Mina Munoz, Oklahoma Insurance Department.

MEMBERS ABSENT: Andy McPherson and Brandy Manek.

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Note Brandy Manek arrived at approximately 9:05 am.

APPROVAL OF MINUTES OF BOARD MEETING HELD JULY 20, 2011.

Motion by W. B. Smith and second by Craig Akard to approve the Minutes of the Regular Board Meeting held July 20, 2011. Ayes: Craig Akard, Jeff Cealka, Tom Custer, Tony Davenport, Jim Keesee, Charles Kerr, Susan Knight, Randy Scott, Rick Smith, W.B. Smith, and Frank Stone. Absent: Andy McPherson and Brandy Manek. 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>
Matthew C. Garrett	Ardmore
Curtis Rackley	Chandler
Dillon G. Mach	Clinton
Sean C. Dyer	Enid
James B. Johnson	Enid
Donald R. Sanders	Enid
Brian D. Schwarzkopf	Enid
Todd R. Prins	Grove
David M. Leshner	Guthrie
Kevin L. Jeffcoat	Idabel
Tim E. Stone	Jenks
George A. Anaya	Oklahoma City
Julian C. Anaya	Oklahoma City
Bryan K. Austin	Oklahoma City
Jonathan D. Combs	Oklahoma City

Rodney J. Galloway	Oklahoma City
Jeffrey L. Gramling	Oklahoma City
Keenan R. Heskett	Oklahoma City
Daniel H. Kleehammer	Oklahoma City
Brandi N. May	Oklahoma City
Charles L. McMackin	Oklahoma City
Gregg D. Nueman	Oklahoma City
Matthew W. Reimche	Oklahoma City
Joshua J. Richardson	Oklahoma City
Adam S. Roll	Oklahoma City
Robert A. Rouner, Jr.	Oklahoma City
Robert M. Schollenbarger	Oklahoma City
Paul A. Widener	Oklahoma City
Devin J. Wyatt	Oklahoma City
Cheryl R. Brewer	Seminole
Matthew D. Hodges	Tecumseh
Tyler D. Diedrich	Tonkawa
Derek D. Sinor	Tonkawa
Jason E. Allen	Warr Acres

b. Application for Refund of Contributions

<u>Name</u>	<u>City</u>
Joe Doshier	Atoka
David Doughten	Coweta
Adam Gordon	Jenks
Jacob English	Lawton
Chaney Gibson	Lawton
Scott G. Williams	Oklahoma City
Kenneth M. Smithee	Seminole
James T. Johnson	Tahlequah
Sarah A. Toliver	Tulsa
Joshua Dwaileebe	Tuttle

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>
Loren E. Peterson	Bartlesville	05/01/2008	09/01/2011
Jackie Kelly	Midwest City	05/01/2009	08/01/2011
Robert Curry	Tulsa	09/01/2006	09/01/2011
Connie Evans	Tulsa	10/01/2006	09/01/2011
Natalie M. Lewis	Tulsa	03/01/2010	09/01/2011

d. Application for Deferred Option Plan:

<u>Name</u>	<u>City</u>	<u>Eff. Date</u>
Deborah K. Baer	Oklahoma City	09/01/2011

e. Application for Service Pension

<u>Name</u>	<u>City</u>	<u>Eff. Date</u>
Willard R. James	Mustang	08/01/2011

f. Application for Monies Due the Estate from the System:

<u>Name</u>	<u>City</u>
Wendell Johnson, Personal Rep of Edith Johnson	Choctaw
Vicky L. Martin, Personal Rep of Jackie C. Pendry	Oklahoma City

- g. Death Benefit:

<u>Name</u>	<u>City</u>
Linda D. Linn, widow of Kenneth T. Linn	Oklahoma City
Scott Malone, widow of Steve Manole	Tulsa

- h. Continuation of Benefit:

<u>Name</u>	<u>City</u>
Linda D. Linn, widow of Kenneth T. Linn	Oklahoma City
Scott Malone, widow of Steve Malone	Tulsa

- i. Termination of Benefit:

<u>Name</u>	<u>City</u>
Edith Johnson	Choctaw
Jackie C. Pendry	Oklahoma City

- j. Terminate Deferred Option Plan to Begin Service Pension

<u>Name</u>	<u>City</u>	<u>Eff. Date</u>
Craig R. Vowel	Nichols Hills	09/01/2011

- k. Application for Vested Benefit

<u>Name</u>	<u>City</u>	<u>Eff. Date</u>
Maurice Martinez	Oklahoma City	07/09/2016
Willie L. Williams, Jr.	Oklahoma City	09/04/2017

Motion by Craig Akard and second by Tom Custer for approval of applications for Police Deferred Option Plan, Participation, Service Pension, Refunds and Benefits. Ayes: Craig Akard, Jeff Cealka, Tom Custer, Tony Davenport, Jim Keese, Charles Kerr, Susan Knight, Randy Scott, Rick Smith, W.B. Smith, and Frank Stone. Absent: Andy McPherson and Brandy Manek. 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 July 2011 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 JULY 31, 2011; QUARTERLY REPORT FOR QUARTER ENDED JUNE 30, 2011; AND DISCUSSION ON REBALANCING PORTFOLIO ASSETS AMONG VARIOUS ASSET STRATEGIES AND MANAGERS. BOARD TO TAKE APPROPRIATE ACTION AS DEEMED NECESSARY.

Mr. Tarlas briefly reviewed with the Board the Quarterly Report for the quarter ended June 30, 2011, a copy of which is attached as Exhibit "E." He also reviewed with the Board the ASAP for the month ended July 31, 2011, a copy of which is attached as Exhibit "F." As of July 31, 2011, the total Fund was approximately \$1,789,431,000.00. The one-year return net of fees for the total Fund is 13.79%.

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**MOUNT LUCAS MANAGEMENT CORPORATION – PERFORMANCE AND PRODUCT UPDATE.
BOARD TO TAKE APPROPRIATE ACTION AS DEEMED NECESSARY.**

Ray Ix provided a brief update on the performance of Mount Lucas Management and reviewed with the Board the handout attached as Exhibit "G."

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**LITIGATION REPORT – PROPOSED EXECUTIVE SESSION, IF DEEMED NECESSARY BY
LEGAL COUNSEL TO DISCUSS CASE NO. 07-MD-1898 (TCP) IN RE AMERICAN HOME
MORTGAGE SECURITIES LITIGATION (UNITED STATES DISTRICT COURT, EASTERN
DISTRICT OF NEW YORK); CASE NO. 08-CV-22572-COOKE-BANDSTRA, IN RE BANKUNITED
FINANCIAL CORPORATION (UNITED STATES DISTRICT COURT, SOUTHERN DISTRICT OF
FLORIDA); CASE NO. 2:10-CV-01061-NBF-RCM, IN RE EDUCATION MANAGEMENT
CORPORATION (UNITED STATES DISTRICT COURT, WESTERN DISTRICT OF
PENNSYLVANIA); 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 it would not be necessary for the Board to go into Executive Session on these matters. He then briefly updated the Board on the status of litigation impacting the Oklahoma Police Pension and Retirement System.

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NEW BUSINESS

No new business was discussed.

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BOARD MEMBERS' REPORTS

Randy Scott reported that Oklahoma City will be hiring approximately 40 new officers. A number of other departments have been and will be hiring additional officers.

W. B. Smith inquired as to the effective date of SB 347 and was informed that it goes into effect on August 26, 2011.

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

Mr. Snyder gave an update on the planning of the Oklahoma Public Fund Trustee Education Conference which will be in Stillwater, September 28-30, 2011.

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DIRECTOR'S REPORT

The deadline for RFP's for Active International Growth and Emerging Markets has passed. These RFP's are being reviewed by Asset Consulting Group.

Newsletters have been mailed out to all members.

Pension books will be going to the printers next week.

No agendas yet for the Interim Studies regarding public pension systems.

The next Pension Commission Meeting will be held August 24, 2011 at 9:00 am in Room 512C of the State Capitol.

Mr. Snyder reminded the Board that this upcoming legislative session will be the 2nd session of the 53rd Legislature. Any bills that became dormant or weren't heard in the 1st session can be reintroduced.

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The meeting was adjourned at approximately 11:10 am.

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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 MARLA HENSLEY, ADMINISTRATIVE OFFICER.