

**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 15, 2012

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, August 15, 2012, in the Board Room of the Oklahoma Police Pension and Retirement System.

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

OTHERS: Steven K. Snyder, Executive Director; Darcie Gordon, Administrative Officer; Sean Ruark, Pension Analyst; Nan J. Patton, Legal Advisor; Jason Pulos, Asset Consulting Group; Tom Janisch, Asset Consulting Group; Tom Meagher, Jr., Grosvenor Capital Management; Scott Pearson, Grosvenor Capital Management; David Richter, Grosvenor Capital Management; Jeff Yarbrough and Jennifer Yarbrough

MEMBERS ABSENT: Tony Davenport and Brandy Manek

* * * * *

Note Brandy Manek arrived at approximately 9:37 a.m.; Frank Stone left at approximately 10:20 a.m. and Ryan Perkins left at approximately 12:00 p.m.

LONG/SHORT EQUITY REALLOCATION – DISCUSSION WITH ASSET CONSULTING AND GROSVENOR CAPITAL MANAGEMENT REGARDING GLOBAL LONG/SHORT EQUITY ALLOCATION AND PORTFOLIO STRUCTURE.

Mr. Jason Pulos reviewed with the board the Global Long/Short Equity Discussion, attached as Exhibit "A". Mr. Pulos advised the board that it was the recommendation of Asset Consulting Group to retain the current discretionary portfolio with Grosvenor with \$150 million; and allocate the balance of the 15% into GLSEF Grosvenor Long Short Equity Fund which is 100% owned and operated by Oklahoma Police Pension and Retirement System. It would be a second share class and a customized plan with Grosvenor as the advisor

Mr. Tom Meagher, Mr. Scott Pearson, and Mr. David Richter reviewed their presentation with the board; a copy is attached as Exhibit "B". They advised the board that Oklahoma Police Pension and Retirement System would see significant savings by using Grosvenor's customized plan.

Motion by W.B. Smith and second by Randy Scott to proceed with the reallocation into GLSEF/Grosvenor. Ayes: Craig Akard, Tom Custer, Jim Keesee, Charles Kerr, Susan Knight, Andy McPherson, Ryan Perkins, Randy Scott, Rick Smith, W. B. Smith and Frank Stone. Absent: Tony Davenport and Brandy Manek. Motion Carried.

* * * * *

APPROVAL OF MINUTES OF BOARD MEETING HELD JULY 18, 2012

Motion by W.B. Smith and second by Andy McPherson to approve the Minutes of the Regular Board Meeting held July 18, 2012. Ayes: Craig Akard, Tom Custer, Jim Keesee, Charles Kerr, Susan Knight, Andy McPherson, Ryan Perkins, Randy Scott, Rick Smith, W. B. Smith and Frank Stone. Absent: Tony Davenport and Brandy Manek. Motion Carried.

* * * * *

HEARING: CASE NO. OPPRB 11-08, APPLICATION FOR DISABILITY BENEFIT IN LINE OF DUTY FOR BRIAN HOPKINS, NORMAN

Mr. Snyder advised the board that the office had made numerous attempts to contact Mr. Hopkins but all attempts were unsuccessful.

Motion by Craig Akard and second by Randy Scott to continue the hearing for Brian Hopkins until such time as he can be served with notice of the hearing. Ayes: Craig Akard, Tom Custer, Jim Keesee, Charles Kerr, Susan Knight, Brandy Manek, Andy McPherson, Ryan Perkins, Randy Scott, Rick Smith, W. B. Smith and Frank Stone. Absent: Tony Davenport. Motion Carried.

* * * * *

HEARING: CASE NO. OPPRB 11-07, APPLICATION FOR DISABILITY BENEFIT IN LINE OF DUTY FOR JEFF YARBROUGH, ELK CITY

Mr. Jeff Yarbrough was in attendance at the hearing as well as his wife Mrs. Jennifer Yarbrough; he was not represented by legal counsel.

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 August 1, 2012
- Exhibit 2 – Application for Disability Benefit In Line of Duty, received November 17, 2011
- Exhibit 3 – Incident Report, Elk City Police Department, dated August 15, 2009
- Exhibit 4 – Medical Report from Dr. Lonnie Litchfield, dated February 23, 2011
- Exhibit 5 – Workers Compensation Award, dated April 27, 2011
- Exhibit 6 – Medical Report from Dr. John Munneke, dated April 9, 2012

Mr. Jeff Yarbrough and Mrs. Jennifer Yarbrough both presented testimony to the board.

Motion by W.B. Smith and second by Charles Kerr to go into Executive Session (at approximately 10:40 am). Ayes: Craig Akard, Tom Custer, Jim Keesee, Charles Kerr, Susan Knight, Brandy Manek, Andy McPherson, Ryan Perkins, Randy Scott, Rick Smith, and W. B. Smith. Absent: Tony Davenport and Frank Stone. Motion Carried.

Motion by Rick Smith and second by Jim Keesee to go back into Open Session (at approximately 11:25 am). Ayes: Craig Akard, Tom Custer, Jim Keesee, Charles Kerr, Susan Knight, Brandy Manek, Andy McPherson, Ryan Perkins, Randy Scott, Rick Smith, and W. B. Smith. Absent: Tony Davenport and Frank Stone. Motion Carried.

Motion by W.B. Smith and second by Craig Akard to award Mr. Jeff Yarbrough a disability benefit in line of duty based on an impairment of 31% to the whole person which equates to 50% of the normal disability retirement. Ayes: Craig Akard, Tom Custer, Jim Keesee, Charles Kerr, Susan Knight, Brandy Manek, Andy McPherson, Randy Scott, Rick Smith, and W. B. Smith. Nays: Ryan Perkins. Absent: Tony Davenport and Frank Stone. Motion Carried.

* * * * *

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

Ms. Julie Huskins was in attendance at the hearing as well as her significant other Mr. Travis Jennings; she was not represented by legal counsel.

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 August 24, 2011
- Exhibit 2 – Application for Disability Benefit In Line of Duty, received May 18, 2011
- Exhibit 3 – Letter from the City of Shawnee, dated May 12, 2011
- Exhibit 4 – Letter from Julie Huskins, dated May 17th, 2011
- Exhibit 5 – Report and Workers Compensation court order regarding on the job injury December 24, 1995
- Exhibit 6 – Medical Report from Dr. Joseph C. McKenna, dated October 2, 2009
- Exhibit 7 – Medical Report from Dr. Steven D. Coupens, dated April 7, 2011
- Exhibit 8 – Medical Report from Dr. David Holland, dated May 16, 2011
- Exhibit 9 – Medical Report from Dr. John A. Munneke, dated August 16, 2011
- Exhibit 10 – Notice of Hearing dated August 1, 2012
- Exhibit 11 – Finding of Fact, Conclusion of Law, and Order dated September 21, 2011
- Exhibit 12 – Medical Report from Dr. Lance Rosson dated February 23, 2012
- Exhibit 13 – Medical Report from Dr. John Munneke dated March 8, 2012
- Exhibit 14 – Supplemental Medical Report from Dr. John Munneke dated April 24, 2012

Ms. Julie Huskins presented testimony to the board.

Motion by Charles Kerr and second by Craig Akard to go into Executive Session (at approximately 12:13 pm). Ayes: Craig Akard, Tom Custer, Jim Keesee, Charles Kerr, Susan Knight, Brandy Manek, Andy McPherson, Randy Scott, Rick Smith, and W. B. Smith. Absent: Tony Davenport. Ryan Perkins and Frank Stone. Motion Carried.

Motion by Craig Akard and second by Randy Scott to go back into Open Session (at approximately 12:38 pm). Ayes: Craig Akard, Tom Custer, Jim Keesee, Charles Kerr, Susan Knight, Brandy Manek, Andy McPherson, Randy Scott, Rick Smith, and W. B. Smith. Absent: Tony Davenport. Ryan Perkins and Frank Stone. Motion Carried.

Motion by W.B. Smith and second by Charles Kerr to continue hearing until additional documentation can be obtained. Ayes: Craig Akard, Tom Custer, Jim Keesee, Charles Kerr, Susan Knight, Brandy Manek, Andy McPherson, Randy Scott, Rick Smith, and W. B. Smith. Absent: Tony Davenport, Ryan Perkins and Frank Stone. Motion Carried.

* * * * *

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

a. Application for Participation:

<u>Name</u>	<u>City</u>
Charles S. Cartwright	Bartlesville
Christopher D. Fullwood	Bartlesville
Benjamin D. Kennedy	Bartlesville
David W. Martin	Duncan
Tanner W. Cox	Elk City
Clark S. Edelen	Jones
Joshua A. Garza	Muskogee
Charles G. Lawless	Muskogee
Bryan J. Wilkins	Muskogee
Mathew W. Goodell	Owasso
Jerold T. Sellers	Owasso
Thaddeus J. Ball	Pawhuska
Brandon C. Flamm	Perry
Angela R. Zook	Ponca City
Erik C. Haworth	Seminole
Merle O. Clack	Vinita
David W. Gazaway	Noble
Shawn W. Stacey	Owasso
Joel H. Eisenhauer	Skiatook
Tyler G. Burkett	Watonga
Richard D. Tyler	Watonga
Armon K. Barkhimer	Wewoka

b. Application for Refund of Contributions

<u>Name</u>	<u>City</u>
Walter O. Bullard	Hugo
Troyce D. Cooper	Mangum
Jim Standifird	Muskogee
Toni R. King	Okmulgee
Jason P. Kelley	Tulsa
Willie L. Williams	Oklahoma City
Shane Ingram	Yukon

c. Application for Deferred Option Plan:

<u>Name</u>	<u>City</u>	<u>Eff. Date</u>
Jessie L. Neil	Oklahoma City	10/01/2012

d. Terminate Deferred Option Plan to Begin Service Pension:

<u>Name</u>	<u>City</u>	<u>Eff. Date</u>
Steven Johnston	Miami	08/01/2012
Lonnie D. Bemo	Muskogee	08/01/2012
William Gibson	Muskogee	08/01/2012

e. Application for Vested Benefit:

<u>Name</u>	<u>City</u>	<u>Eff. Date</u>
Timothy A. Yoha	Oklahoma City	08/21/2013
James B. Husted	Oklahoma City	05/15/2026
Ryan Glen Curry	Tulsa	01/12/2029

f. Death Benefit:

<u>Name</u>	<u>City</u>
Lois A. Rich, widow of Jackson E. Rich	Bartlesville
Dorothy Raiford-Annex, widow of Paul Annex	Tulsa
Stephanie D. Ladd, widow of Harold R. Ladd	Tulsa
Carol J. Blair, widow of Billie Blair	Tahlequah
Dorothy E. Akins, widow of Carl G. Akins	Tulsa

g. Continuation of Benefit:

<u>Name</u>	<u>City</u>
Lois A. Rich, widow of Jackson E. Rich	Bartlesville
Dorothy Raiford-Annex, widow of Paul Annex	Tulsa
Stephanie D. Ladd, widow of Harold R. Ladd	Tulsa
Carol J. Blair, widow of Billie Blair	Tahlequah
Dorothy E. Akins, widow of Carl G. Akins	Tulsa

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

<u>Name</u>	<u>City</u>
Frances Telford-Pippins, Personal Rep. of Sarafaye Telford	Altus
Carol Thompson, Personal Rep. of Alice M. Yeahquo	Anadarko
Cynthia K. Spears, Personal Rep. of Marilyn M. Dooley	Tulsa

i. Termination of Benefit:

<u>Name</u>	<u>City</u>
Sarafaye Telford	Altus
Alice M. Yeahquo	Anadarko
Marilyn M. Dooley	Tulsa

j. 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>
Damon R. Devereaux	Guthrie	11/1/2011	09/01/2012
Carl L. Little, Jr.	Stillwater	09/01/2009	09/01/2012
John P. Jakubowski	Tulsa	08/31/2007	09/01/2012

k. Application for Service Pension:

<u>Name</u>	<u>City</u>	<u>Eff. Date</u>
Steven Flint	Norman	09/01/2012
Stephen Kuebler	Vinita	11/01/2012

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, Jim Keesee, Charles Kerr, Susan Knight, Brandy Manek, Andy McPherson, Ryan Perkins, Randy Scott, Rick Smith, W. B. Smith and Frank Stone. Absent: Tony Davenport. Motion Carried.

* * * * *

SAMANTHA RAMSEY, TULSA – REQUEST TO BUY BACK PRIOR SERVICE WHILE EMPLOYED WITH THE TULSA POLICE DEPARTMENT FROM 8/13/2007 TO 1/31/2010. BOARD TO TAKE APPROPRIATE ACTION AS DEEMED NECESSARY.

Motion by Andy McPherson and second by Randy Scott to approve request to buy back prior service while employed with the Tulsa Police Department from 8/13/2007 to 1/31/2010. Ayes: Craig Akard, Tom Custer, Jim Keesee, Charles Kerr, Susan Knight, Brandy Manek, Andy McPherson, Ryan Perkins, Randy Scott, Rick Smith, and W. B. Smith. Absent: Tony Davenport and Frank Stone. Motion Carried.

* * * * *

CHARLES RAMSEY, TULSA – REQUEST TO BUY BACK PRIOR SERVICE WHILE EMPLOYED WITH THE TULSA POLICE DEPARTMENT FROM 8/13/2007 TO 1/31/2010. BOARD TO TAKE APPROPRIATE ACTION AS DEEMED NECESSARY.

Motion by W.B. Smith and second by Randy Scott to approve request to buy back prior service while employed with the Tulsa Police Department from 8/13/2007 to 1/31/2010. Ayes: Craig Akard, Tom Custer, Jim Keesee, Charles Kerr, Susan Knight, Brandy Manek, Andy McPherson, Ryan Perkins, Randy Scott, Rick Smith, and W. B. Smith. Absent: Tony Davenport and Frank Stone. Motion Carried.

* * * * *

REVIEW OF BOARD REPORTS

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

* * * * *

ASSET CONSULTING GROUP – FINANCIAL CONSULTANT REPORT FOR MONTH ENDED JULY 31, 2012, QUARTERLY REPORT FOR QUARTER ENDED JUNE 30, 2012, AND DISCUSSION ON REBALANCING PORTFOLIO ASSETS AMONG VARIOUS ASSET STRATEGIES AND MANAGERS; BOARD TO TAKE APPROPRIATE ACTION AS DEEMED NECESSARY.

Mr. Jason Pulos briefly reviewed the ASAP report for the month ended July 31, 2012, a copy of which is attached as Exhibit "G". As of July 31, 2012, the total Fund was approximately \$1,795,252.00. The one-year return net of fees for the total Fund is 2.25%.

Mr. Pulos briefly reviewed the Quarterly Report for the quarter ended June 30, 2012, a copy of which is attached as Exhibit "H". Mr. Pulos stated that the down capture is good as we've come off a difficult 2nd quarter of the year. He also stated that the year to date numbers look good for equity markets; we have been rebounding in July and August.

* * * * *

**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)**

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

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

* * * * *

**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); 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 advised that Career Education was still pending in the Northern District of Illinois. The defendant has filed a motion to dismiss and the court had not ruled on it. He also advised that we had filed for lead plaintiff in the Tempur-Pedic case and they would select the lead plaintiff on August 20, 2012.

Judge Patton advised that the Jeffrey Taylor case was still making its way through the system.

* * * * *

NEW BUSINESS

Mr. Craig Akard advised the board he would like an Attorney General's opinion regarding OPPRB 11-04.

Motion by Craig Akard and second by W.B. Smith directing the Executive Director to contact the Oklahoma Attorney General's office concerning O.S. 11 § 50-115(A), in relation to OPPRB 11-04, and obtain an Attorney General's opinion. Ayes: Craig Akard, Tom Custer, Jim Keesee, Charles Kerr, Susan Knight, Brandy Manek, Andy McPherson, Randy Scott, Rick Smith, and W. B. Smith. Absent: Tony Davenport. Ryan Perkins and Frank Stone. Motion Carried.

Mr. W.B. Smith requested an agenda item for September Board Meeting to discuss the issue of our Independent Medical Examiner and discuss contracting with another Independent Medical Examiner.

* * * * *

BOARD MEMBERS' REPORTS

Mr. W.B. Smith advised the board that if anyone wanted to participate in the activities prior to the Oklahoma Public Funds Trustee Education Conference to let him know.

* * * * *

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

Mr. Tom Custer advised the board the OPFTEC is September 5-7, 2012 in Stillwater, and the IFEBP Annual Conference would be in San Diego, CA in November.

* * * * *

DIRECTOR’S REPORT

Mr. Snyder reported that he was requested to meet with Treasurer Ken Miller and the State Pension Commission August 16th at 1:30pm. He also stated that two Interim Studies were going to be conducted related to the pension systems. The studies are IS12-008 – Analysis of the State Pension System and IS12-052 – Strategic funding for the State Pension System, both requested by Rep. Randy McDaniel.

* * * * *

The meeting was adjourned at approximately 12:47 pm

* * * * *

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.