

**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
December 21, 2011**

CORRECTED

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, December 21, 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, Preston Doerflinger, Andy McPherson, Randy Scott, Rick Smith, W. B. Smith, and Frank Stone.

OTHERS: Steven K. Snyder, Executive Director; Andrea Houston, Administrative Officer; Darcie Gordon, Administrative Assistant; Nan J. Patton, Legal Advisor; George Tarlas and Lori Mills, Asset Consulting Group; and Ashley VanDeburgh, City of Weatherford.

MEMBERS ABSENT: None

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Note Frank Stone left at approximately 9:40 am, Preston Doerflinger 10:20 am and W.B. Smith 12:25 pm.

APPROVAL OF MINUTES OF BOARD MEETING HELD NOVEMBER 16, 2011

Motion by Tony Davenport and second by Jeff Cealka to approve the Minutes of the Regular Board Meeting held November 16, 2011. Ayes: Craig Akard, Jeff Cealka, Tom Custer, Tony Davenport, Jim Keesee, Charles Kerr, Susan Knight, Preston Doerflinger, Andy McPherson, Randy Scott, Rick Smith, W. B. Smith, and Frank Stone. Absent: None. Motion Carried.

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CONTINUATION OF HEARING: CASE NO. OPRB 07-02, APPLICATION FOR DISABILITY BENEFIT IN LINE OF DUTY FOR JEFFREY S. TAYLOR, GLENPOOL

Judge Patton recommended that the Board go into Executive Session to discuss Case No. OPRB 07-02.

Motion by Jim Keesee and second by Craig Akard that the Board go into Executive Session as recommended by Judge Patton (at approximately 9:03 a.m.). Ayes: Craig Akard, Jeff Cealka, Tom Custer, Tony Davenport, Jim Keesee, Charles Kerr, Susan Knight, Preston Doerflinger, Andy McPherson, Randy Scott, Rick Smith, W. B. Smith, and Frank Stone. Absent: None. Motion Carried.

Motion by Tony Davenport and second by Andy McPherson that the Board go back into Open Session (at approximately 9:20 a.m.). Ayes:

Craig Akard, Jeff Cealka, Tom Custer, Tony Davenport, Jim Keese, Charles Kerr, Susan Knight, Preston Doerflinger, Andy McPherson, Randy Scott, Rick Smith, W. B. Smith, and Frank Stone. Absent: None. Motion Carried.

Motion by Tony Davenport and second by Rick Smith for legal counsel to resubmit court ordered amended Findings of Fact in the matter of Jeffrey S. Taylor. Ayes: Craig Akard, Jeff Cealka, Tom Custer, Tony Davenport, Jim Keese, Charles Kerr, Susan Knight, Preston Doerflinger, 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>
Jarred M. Burdick	Bartlesville
Jimmie L. Roland	Bristow
Christopher D. Griffin	Del City
Michael A. Palmer	Del City
Chauncey J. Ward	Del City
Edward W. Stephens	Dewey
David S. Weaver	Elk City
Leland S. Allison	Granite
Robert K. Puccino	Lawton
Lance A. Duncan	Mustang
Dylan L. Wilson	Mustang
Shawn M. Foote	Pawhuska
Kendall R. Taylor	Pawhuska
Zachary T. Paulk	Purcell
Dustin N. Erwin	Sand Springs
James D. Holforty	Sand Springs
Danell E. Reeves	Spencer
Christopher C. Davis	Tahlequah
Angela T. Bax	Tulsa
Justin R. Beal	Tulsa
Stephen M. Blaylock	Tulsa
Jason O. Busby	Tulsa
Clifford M. Caughron	Tulsa
Florentino Chairez	Tulsa
William E. Hays	Tulsa
Kyle C. Iverson	Tulsa
Eric W. Jameson	Tulsa
Andrew P. Knapp	Tulsa
Ashley A. Loncarich	Tulsa
Ryan P. Melchior	Tulsa
Darrell A. Ross	Tulsa
Jason M. Roy	Tulsa
Torin J. Sanders	Tulsa

a. Application for Participation (continued)

<u>Name</u>	<u>City</u>
Scott J. Scepanski	Tulsa
Kristi L. Score	Tulsa
Jayson J. Smith	Tulsa
Eric R. Stafford	Tulsa
Samuel C. Stroble	Tulsa
Thomas J. Turner	Tulsa
Kip M. VanHoozer	Tulsa
Isaac M. Wall	Tulsa
Pablo Zuniga	Tulsa
David B. McCord	Vinita
Isaias Molina Midwest	City
Dallas J. McCall	Okmulgee
Larry G. Crawford	Tulsa
Ricardo A. Jimenez	Tulsa
Betty J. Shelby	Tulsa

b. Application for Refund of Contributions

<u>Name</u>	<u>City</u>
Colt Stacey	Coweta
Larry R. Cunningham	Elk City
Shayne Ballard	Hobart
George Anaya	Oklahoma City
Amanda Ingram	Ponca City
Blaine Griffey	Sallisaw
Randy R. Vidaurri	Sayre
Travis R. Moss	The Village
Sandra Holmes	Chickasha
Jason Richardson	Idabel
Johnny R. Okerson	Pawhuska

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>
Dennis P. Polk	Moore	01/01/2007	01/01/2012
Martin R. Stites	McAlester	09/01/2009	12/01/2011

d. Terminate Deferred Option Plan to Begin Service Pension

<u>Name</u>	<u>City</u>	<u>Eff. Date</u>
Jeffrey S. Garber	Miami	02/01/2012
Gilbreath R. Riggs	Oklahoma City	01/01/2012
Kenneth E. Brodrick	Miami	02/01/2012
James D. Duncan	Oklahoma City	01/01/2012

e. Application for Vested Benefit

<u>Name</u>	<u>City</u>	<u>Eff. Date</u>
Jarrod Cummings	Claremore	10/23/2030
Shawn James	Poteau	04/17/2023
Thomas J. LeBlanc, Jr.	Bartlesville	11/10/2027

f. Death Benefit

<u>Name</u>	<u>City</u>
Vicki A. Phillips, widow of Donald C. Phillips	Del City
Joan Bourquin, widow of Roy Bourquin	El Reno
Susan L. Kitten, widow of Claude A. Kitten	Purcell
Leah Bauman, Personal Rep. of Everett E. Wood	Ardmore
Michael R. Harris, Personal Rep. of Hubert R. Harris	Bethany
Mary J. Coody, Personal Rep. of Lloyd E. Klingenberg	Broken Arrow
Sam J. Snodgrass, Personal Rep. of Joe H. Snodgrass	Oklahoma City
Frances C. VanHoesen, widow of Marion G. VanHoesen	Ponca City
Bobby J.L. Fox, Personal Rep. of Warner H. Fox	Cleveland
Richard Hanks, Personal Rep. of Garland Hanks	Del City
Donald J. Round, Personal Rep. of Donald J. Round	Ponca City

g. Application for Monies Due the Estate from the System

<u>Name</u>	<u>City</u>
Larry Cranford, Personal Rep. of Jewell K. Cranford	Ada
Anthony Benway, Personal Rep. of Wilma A. Benway	Bartlesville
Michael R. Harris, Personal Rep. of Hubert R. Harris	Bethany
Richard R. Ebert, Personal Rep. of Geraldine M. McBride	Blackwell
Mary J. Coody, Personal Rep. of Lloyd E. Klingenberg	Broken Arrow
Linda Hall - Beahan, Personal Rep. of Ruth C. Hinderliter	Oklahoma City
Bobby J.L. Fox, Personal Rep. of Warner H. Fox	Cleveland
Emily A. Kruse and Roxie S. Thompson Personal Rep. of Roxie V. Bell	Clinton
Richard Hanks, Personal Rep. of Garland Hanks	Del City
Donald J. Round, Personal Rep. of Donald J. Round	Ponca City

h. Continuation of Benefit

<u>Name</u>	<u>City</u>
Vicki A. Phillips, widow of Donald C. Phillips	Del City
Joan Bourquin, widow of Roy Bourquin	El Reno
Susan L. Kitten, widow of Claude A. Kitten	Purcell
Frances C. VanHoesen, widow of Marion G. VanHoesen	Ponca City

i. Termination of Benefit

<u>Name</u>	<u>City</u>
Jewell K. Cranford	Ada
Everett E. Wood	Ardmore
Wilma A. Benway	Bartlesville
Hubert R. Harris	Bethany
Geraldine M. McBride	Blackwell
Lloyd E. Klingenberg	Broken Arrow
Joe H. Snodgrass	Oklahoma City
Ruth C. Hinderliter	Oklahoma City
Roxie V. Bell	Clinton
Warner H. Fox	Cleveland
Garland Hanks	Del City
Donald J. Round	Ponca City

j. Application for Service Pension:

<u>Name</u>	<u>City</u>	<u>Eff. Date</u>
Carl E. Allen	Ada	01/01/2012
David D. Lyons	Muskogee	03/01/2012

k. Application for Deferred Option Plan:

<u>Name</u>	<u>City</u>	<u>Eff. Date</u>
Barry L. Niles	Oklahoma City	01/01/2012

Mr. Snyder advised the board item 4(e) of the agenda "Application for Vested Benefits" included Shawn James of Poteau; he has not met the requirements to vest.

Motion by Rick Smith and second by Tom Custer for approval of applications for Police Deferred Option Plan, Participation, Service Pension, Refunds and Benefits with the exception of Shawn James of Poteau. Ayes: Craig Akard, Jeff Cealka, Tom Custer, Tony Davenport, Jim Keesee, Charles Kerr, Susan Knight, Preston Doerflinger, Andy McPherson, Randy Scott, Rick Smith, W. B. Smith and Frank Stone. Absent: None. Motion Carried.

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TRACI E. SCHINNERER, NORMAN – REQUEST TO AMEND PREVIOUSLY APPROVED APPLICATION FOR VESTED BENEFIT APPROVED 10/19/2011. BOARD TO TAKE APPROPRIATE ACTION AS DEEMED NECESSARY

Mr. Snyder advised the Board the only change is the date on the Application for Vested Benefit.

Motion by Tom Custer and second by Jim Keesee to approve Request to amend previously approved Application for Vested Benefit approved 10/19/2011. Ayes: Craig Akard, Jeff Cealka, Tom Custer, Tony Davenport, Jim Keesee, Charles Kerr, Susan Knight, Preston Doerflinger, 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 November 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 NOVEMBER 30, 2011 AND DISCUSSION ON REBALANCING PORTFOLIO ASSETS AMONG VARIOUS ASSET STRATEGIES AND MANAGERS. BOARD TO TAKE APPROPRIATE ACTION AS DEEMED NECESSARY

Mr. Tarlas and Lori Mills briefly reviewed the ASAP report for the month ended November 30, 2011, a copy of which is attached as Exhibit "E". As of November 30, 2011, the total Fund was approximately \$1,702,325,000.00. The one-year return net of fees for the total Fund is 2.85%.

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ASSET CONSULTING GROUP – PRIVATE EQUITY PROGRAM REVIEW AND RECOMMENDATION ON NEW COMMITMENTS. BOARD TO TAKE APPROPRIATE ACTION AS DEEMED NECESSARY

Mr. Tarlas and Lori Mills reviewed with the Board the Private Equity Portfolio, manager summary and recommendation of Actis Capital. (a copy of which is attached as Exhibit "F").

Motion by W.B. Smith and second by Craig Akard to invest \$7.5 million to Actis Capital. Ayes: Craig Akard, Jeff Cealka, Tom Custer, Tony Davenport, Jim Keesee, Charles Kerr, Susan Knight, Preston Doerflinger, Andy McPherson, Randy Scott, Rick Smith and W. B. Smith. Absent: Frank Stone. Motion Carried.

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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)**

Motion by Craig Akard and second by Jeff Cealka that the Board go into Executive Session (at approximately 9:45 a.m.). Ayes: Craig Akard, Jeff Cealka, Tom Custer, Tony Davenport, Jim Keese, Charles Kerr, Susan Knight, Preston Doerflinger, Andy McPherson, Randy Scott, Rick Smith, W. B. Smith. Absent: Frank Stone. Motion Carried

Motion by Craig Akard and second by Randy Scott that the Board go back into Open Session (at approximately 10:15 a.m.). Ayes: Craig Akard, Jeff Cealka, Tom Custer, Tony Davenport, Jim Keese, Charles Kerr, Susan Knight, Preston Doerflinger, Andy McPherson, Randy Scott, Rick Smith, W. B. Smith. Absent: Frank Stone. Motion Carried.

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PRESENTATIONS FOR EMERGING MARKET EQUITY MANAGER

A. BARING ASSET MANAGEMENT

- DAVID BERTOCCHI
- ERIC MASKALUNAS

B. HARDING LOEVNER

- KRISTIN BURKE
- FERRILL ROLL

C. PICTET ASSET MANAGEMENT

- Douglas Balleine
- Charles Price

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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**

No report.

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NEW BUSINESS

Tom Custer reported Officer Kyle Stoy 2nd Lieutenant of the 45th was hit by an IED while in Afghanistan and was severely injured.

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BOARD MEMBERS' REPORTS

Randy Scott reported if the back drop becomes an issue in the next legislative session, Oklahoma City would have 335 eligible for back drop. They currently have 57 officers with 30 years plus, 68 with 25-29 years and 210 with 20 -24 years.

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

Mr. Snyder discussed the upcoming IFEBP, NCPERS and TEDS conferences and arrangements. Mr. Snyder congratulated Susan Knight for passing CAPPP I.

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DIRECTOR'S REPORT

Mr. Snyder reported to the Board that the newsletter was mailed to all members December 20, 2011.

Senator Brown agreed to carry the tax statutory language bill.

Congratulations to Andy McPherson on his reappointment to the Board.

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The meeting was adjourned at approximately 12:50 p.m.

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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 ANDREA HOUSTON, ADMINISTRATIVE OFFICER.