

**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 19, 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, December 19, 2012, in the Board Room of the Oklahoma Police Pension and Retirement System.

MEMBERS PRESENT: Craig Akard, Tom Custer, Tony Davenport, Jim Keesee, Randy Scott, Rick Smith, and W. B. Smith.

OTHERS: Steven K. Snyder, Executive Director; Darcie Gordon, Administrative Officer; Christina Hirschman, Executive Legal Assistant; Sean Ruark, Pension Analyst; Deric Berousek, Chief Financial Officer; Jan Presler, Attorney General's Office; George Tarlas, Asset Consulting Group; Riki Snyder, Snyder Law Office; and John Foster.

MEMBERS ABSENT: Charles Kerr, Susan Knight, Brandy Manek, Andy McPherson, Ryan Perkins and Frank Stone.

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Note Susan Knight arrived at approximately 9:05 a.m.

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APPROVAL OF MINUTES OF BOARD MEETING HELD NOVEMBER 28, 2012

Motion by Randy Scott and second by W.B. Smith to approve the Minutes of the Regular Board Meeting held November 28, 2012. Ayes: Tom Custer, Tony Davenport, Jim Keesee, Randy Scott, Rick Smith, and W. B. Smith. Abstain: Craig Akard. Absent: Charles Kerr, Susan Knight, Brandy Manek, Andy McPherson, Ryan Perkins and Frank Stone. Motion Failed.

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DISCUSSION OF RESOLUTION FROM DAVIS GRAHAM AND STUBBS REGARDING REFUND OF PAYMENT FOR PURCHASE OF TRANSFERRED CREDITED SERVICE FOR A DISABLED MEMBER WHEN THE CREDIT HAS NOT BEEN GRANTED; BOARD TO TAKE APPROPRIATE ACTION AS DEEMED NECESSARY.

Motion by Craig Akard and second by Randy Scott to approve the resolution from Davis Graham and Stubbs regarding refund of payment for purchase of transferred credited service for a disabled member when the credit has not been granted. Ayes: Craig Akard, Tom Custer, Tony Davenport, Jim Keesee, Randy Scott, Rick Smith, and W. B. Smith. Absent: Charles Kerr, Susan Knight, Brandy Manek, Andy McPherson, Ryan Perkins and Frank Stone. Motion Carried.

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HEARING: CASE NO. OPPRB 12-05, APPLICATION FOR DISABILITY BENEFIT IN LINE OF DUTY FOR JOHN FOSTER, LAWTON

Mr. John Foster was in attendance at the hearing and represented by legal counsel, Mrs. Riki Snyder of Snyder Law Firm.

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

- Exhibit A – Notice of Hearing, dated November 30, 2012
- Exhibit B – Application for Disability Benefit in Line of Duty, dated January 11, 2012
- Exhibit C – Medical Report from Dr. M. Stephen Wilson, dated July 21, 2011
- Exhibit D – Official Oklahoma Traffic Collision Report, dated June 17, 2010
- Exhibit E – Letter from the City of Lawton stating there was no position for the officer, dated December 7, 2012
- Exhibit F – Medical Report from Dr. John A. Munneke, dated November 19, 2012

Mr. John Foster did testify as well as answer questions from the board and Mrs. Snyder.

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

Motion by W.B. Smith and second by Craig Akard to go back into Open Session (at approximately 9:25 am). Ayes: Craig Akard, Tom Custer, Tony Davenport, Jim Keese, Susan Knight, Randy Scott, Rick Smith, and W. B. Smith. Absent: Charles Kerr, Brandy Manek, Andy McPherson, Ryan Perkins and Frank Stone. Motion Carried.

Motion by W.B. Smith and second by Tony Davenport to award Mr. John Foster a disability benefit in line of duty based on an impairment of 76% to the whole person which equates to 100% of the normal disability retirement. Ayes: Craig Akard, Tom Custer, Tony Davenport, Jim Keese, Susan Knight, Randy Scott, Rick Smith, and W. B. Smith. Absent: Charles Kerr, Brandy Manek, Andy McPherson, Ryan Perkins and Frank Stone. 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> |
|----------------------|---------------|
| Ryan C. Eads | Ardmore |
| Chase E. Honea | Ardmore |
| Sterling R. Tucker | Ardmore |
| Daniel D. Hansen | El Reno |
| Kevin J. Branscum | Eufaula |
| Robert M. Dumond | Ft. Gibson |
| Jason P. Hoile | Lindsay |
| Robert W. Groseclose | Nicoma Park |
| Shawna C. Burley | Oklahoma City |
| Cassie C. Carver | Oklahoma City |

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|-------------------------|---------------|
| Marcus P. Debottis, Jr. | Oklahoma City |
| Dalton J. Kennedy | Oklahoma City |
| Shantel Mackey | Oklahoma City |
| Timothy W. Menzer | Oklahoma City |
| Ethan T. Nguyen | Oklahoma City |
| Kiel A. Pepper | Oklahoma City |
| William F. Robison | Oklahoma City |
| Seth A. Thornton | Oklahoma City |
| Dustin E. Willis | Oklahoma City |
| Thomas A. Ohman | Pawhuska |
| Cody L. Johnson | Poteau |
| Trey M. Baker | Tecumseh |
| Mark S. Johnson | Vinita |
| David S. Young | Wewoka |
| Link D. Logan | Ada |
| Kevin R. Ortman | Harrah |
| Wyatt H. Tilton | Newcastle |
| Thomas J. Campbell | Nowata |
| Heather D. Bennett | Oklahoma City |
| Allan E. Cruz | Oklahoma City |
| Christopher L. Daniels | Oklahoma City |
| Tucker L. Field | Oklahoma City |
| Kathryn E. Gordon | Oklahoma City |
| Gabe A. Gowman | Oklahoma City |
| Tony L. Gregory | Oklahoma City |
| Amy E. Hanson | Oklahoma City |
| Jared J. Hurst | Oklahoma City |
| Jacob A. Papera | Oklahoma City |
| Demetrius Ward | Oklahoma City |
| Ruben A. Jauregui, Jr. | Tonkawa |

b. Application for Refund of Contributions:

| <u>Name</u> | <u>City</u> |
|-------------------|--------------|
| David Gilliam | Ardmore |
| David Vaughn | Atoka |
| Troy J. Nicolas | Bartlesville |
| Aaron W. Pilgrim | Chickasha |
| Gary W. Kennedy | Clinton |
| Cory Morris | Duncan |
| Preston Simpson | Ft. Gibson |
| Billy Bussell | Pauls Valley |
| John P. Carnell | Pauls Valley |
| Nicholas Rizzi | Weatherford |
| David D. Cummings | Woodward |
| Brian Mossier | Dewey |

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> |
|-------------------|---------------|----------------------|----------------------------------|
| Daniel R. Persk | Chickasha | 01/01/2008 | 01/01/2013 |
| Michael B. Brown | Oklahoma City | 09/01/2012 | 01/01/2013 |
| Willard P. Paige | Oklahoma City | 01/01/2008 | 01/01/2013 |
| William A. Howard | Midwest City | 12/01/2007 | 02/01/2013 |
| Dennis L. Neff | Sallisaw | 03/01/2012 | 12/01/2012 |
| Bret R. Bowling | Sapulpa | 05/01/2010 | 01/01/2013 |

d. Application for Service Pension:

| <u>Name</u> | <u>City</u> | <u>Eff. Date</u> |
|------------------|-------------|------------------|
| Michael G. Baker | Ada | 02/01/2013 |
| Phillip Stewart | Harrah | 01/01/2013 |
| Roger L. Deen | Idabel | 01/01/2013 |

e. Death Benefit:

| <u>Name</u> | <u>City</u> |
|--|-------------|
| Emma M. Greene, Personal Rep. of Rita L. Greene | Tulsa |

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

| <u>Name</u> | <u>City</u> |
|--|-------------|
| Emma M. Greene, Personal Rep. of Rita L. Greene | Tulsa |

g. Termination of Benefit:

| <u>Name</u> | <u>City</u> |
|----------------|-------------|
| Rita L. Greene | Tulsa |

Mr. Snyder advised that board that Emma M. Greene, Personal Rep. of Rita Green should not be listed for Death Benefit, only Monies Due the Estate from the System.

Motion by Craig Akard and second by W.B. Smith for approval of applications for Police Deferred Option Plan, Participation, Service Pension, Refunds and Benefits and the Addendum with above noted exception. Ayes: Craig Akard, Tom Custer, Tony Davenport, Jim Keesee, Susan Knight, Randy Scott, Rick Smith, and W. B. Smith. Absent: Charles Kerr, Brandy Manek, Andy McPherson, Ryan Perkins and Frank Stone. 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 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 NOVEMBER 30, 2012, AND DISCUSSION ON REBALANCING PORTFOLIO ASSETS AMONG VARIOUS ASSET STRATEGIES AND MANAGERS; BOARD TO TAKE APPROPRIATE ACTION AS DEEMED NECESSARY.

Mr. George Tarlas briefly reviewed the ASAP report for the month ended November 30, 2012, a copy of which is attached as Exhibit “E”. As of November 30, 2012, the total Fund was approximately \$1,852,732.00. The one-year return net of fees for the total Fund is 10.82%.

Mr. Tarlas stated the year was finishing strong and that the stock market continues to be solid.

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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. George Tarlas presented the Oklahoma Police Pension and Retirement System Private Equity Update, December 19, 2012, a copy of which is attached as Exhibit “F”.

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

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DISCUSSION OF POSSIBLE AMENDMENTS TO THE ADMINISTRATIVE RULES PROMULGATED BY THE OKLAHOMA POLICE PENSION AND RETIREMENT BOARD. AREAS TO BE DISCUSSED MAY INCLUDE, BUT ARE NOT LIMITED TO, THE FOLLOWING; REFUNDS, PRIOR SERVICE CREDIT AND RECORDS OF HEARINGS. BOARD TO TAKE APPROPRIATE ACTION AS DEEMED NECESSARY

Mr. Steven Snyder reviewed with the board the newly proposed changes to 550:1-7-5, 550:15-1-2, and 550:15-1-3.

Motion by W.B. Smith and second by Tony Davenport to approve the possible amendments to the administrative rules. Ayes: Craig Akard, Tom Custer, Tony Davenport, Jim Keese, Susan Knight, Randy Scott, Rick Smith, and W. B. Smith. Absent: Charles Kerr, Brandy Manek, Andy McPherson, Ryan Perkins and 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)

Mr. Steven Snyder advised the board that Executive Session would not be necessary. He advised the board that no new information was available at this time regarding the sale of the building and that we should have an answer by Jan 31, 2013.

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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 as there had been no change on any of the cases. He stated Career Education Corporation was set for mediation, Tempur-Pedic had named OPPRS Lead Plaintiff along with OLERS and Abiomed was waiting class action certification.

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NEW BUSINESS

Mr. Snyder advised that we had received an Application for Beneficiary’s Continuation of Pension and Death Benefit after the addendum deadline due to mail running very late. He presented to the board Ms. Betty F. Duck’s Application for Beneficiary’s Continuation of Pension and Death Benefit for approval.

Motion by W.B. Smith and second by Craig Akard to approve the Application for Beneficiary’s Continuation of Pension and Death Benefit for Ms. Betty F. Duck. Ayes: Craig Akard, Tom Custer, Tony Davenport, Jim Keese, Susan Knight, Randy Scott, Rick Smith, and W. B. Smith. Absent: Charles Kerr, Brandy Manek, Andy McPherson, Ryan Perkins and Frank Stone. Motion Carried.

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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

Mr. Snyder advised that the NCPERS Annual Conference would be in May 2013 held in Honolulu, HI. and IFEBP would be in Las Vegas, NV. October 2013. He advised the board to let Darcie know if they planned to attend as soon as possible.

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DIRECTOR’S REPORT

Mr. Snyder reported that newsletters would be mailed this week. He also advised the board that Sen. Anderson and Rep. McDaniel would be carrying our legislation this session.

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APPROVAL OF MINUTES OF BOARD MEETING HELD NOVEMBER 28, 2012

Motion by Randy Scott and second by Tony Davenport to approve the Minutes of the Regular Board Meeting held November 28, 2012. Ayes: Tom Custer, Tony Davenport, Jim Keesee, Susan Knight, Randy Scott, Rick Smith, and W. B. Smith. Abstain: Craig Akard. Absent: Charles Kerr, Brandy Manek, Andy McPherson, Ryan Perkins and Frank Stone. Motion Carried.

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The meeting was recessed 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 DARCI GORDON, ADMINISTRATIVE OFFICER.