

**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**

FEBRUARY 20, 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, February 20, 2013, in the Board Room of the Oklahoma Police Pension and Retirement System.

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

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; Jason Pulos, Asset Consulting Group; David Kent and Matthew Smith, Buck Consulting; Carolyn Marston and David B. Pierce.

MEMBERS ABSENT: Tony Davenport, Susan Knight, Brandy Manek, Andy McPherson, and Rick Smith

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Note Rick Smith arrived at approximately 9:06 a.m., Susan Knight arrived at approximately 9:10 a.m., and Brandy Manek arrived at approximately 9:30 a.m.

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HEARING: CASE NO. OPPRB 12-07, APPLICATION FOR DISABILITY BENEFIT IN LINE OF DUTY FOR SHIRLEY VOGT, SKIATOOK

Mr. Steven Snyder advised the board that Ms. Vogt's attorney had requested a continuance on this case.

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HEARING: CASE NO. OPPRB 13-02, IN THE MATTER OF DAVID P. PIERCE – MIDWEST CITY – HEARING TO DETERMINE BENEFICIARY AND/OR BENEFICIARIES TO WHOM PENSION BENEFITS ARE TO BE AWARDED.

Ms. Carolyn Marston was in attendance at the hearing and was not represented by legal counsel. Mr. David B. Pierce was also present as a witness.

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

- OPPRS Exhibit #1 - Notice of Hearing dated February 8, 2013
- OPPRS Exhibit #2 - Application for Beneficiary's Continuation of Pension and Death Benefit (including death certificate) - 2 pages
- Applicant's Exhibit #1- Letter from Carolyn Marston requesting hearing to determine beneficiaries of David Pierce - Midwest City; dated January 18, 2013
- Applicant's Exhibit #2 - Application for Marriage License – October 2, 1992
- Applicant's Exhibit #3 - SamsClub card reflecting last name of Marston-Pierce
- Applicant's Exhibit #4 - Policy Declarations on home - American Farmers & Ranchers Mutual Insurance Co
- Applicant's Exhibit #5 - Notice of Changes from Bank of America

- Applicant's Exhibit #6 - USDA Refinance Settlement Statement - 2 pages
- Applicant's Exhibit #7 - Southern Journeys of Oklahoma - Consumer Disclosure Acknowledgement
- Applicant's Exhibit #8 - Health Choice EOB; showing Carolyn Marston Beneficiary of David Pierce
- Applicant's Exhibit #9 - Letter from Discover stated David Pierce was added as an Authorized Buyer as of December 6, 2004
- Applicant's Exhibit #10 - Bill from John C Hill Electric showing an OKC Permit
- Applicant's Exhibit #11 - Notice to OPPRS of Address change; dated December 11, 1997
- Applicant's Exhibit #12 - Farmers Insurance Declarations - 2000 Ford Windstar
- Applicant's Exhibit #13 - Farmers Insurance Policy Summary - 2000 Ford Windstar
- Applicant's Exhibit #14 - Obituary - Zach Pierce
- Applicant's Exhibit #15 - Obituary - Edmond D. Archer
- Applicant's Exhibit #16 - Obituary - Patrick Archer
- Applicant's Exhibit #17 - 2010 Option Period Enrollment/Change Form
- Applicant's Exhibit #18 - 1996-1997 Change card form; adding David Pierce to insurance due to loss of coverage
- Applicant's Exhibit #19 - Southern Journeys of Oklahoma - Retail Installment Contract and Consumer Note (3 pages)
- Applicant's Exhibit #20 - Southern Journeys of Oklahoma - Truth in Lending Act Disclosure Statement
- Applicant's Exhibit #21 - Travel Advantage Network - Automated Collection Agreement
- Applicant's Exhibit #22 - Application for Southern Journeys of Oklahoma
- Applicant's Exhibit #23 - Invoice - Peripheral Systems Inc - month monitoring fees bill
- Applicant's Exhibit #24 - First National Bank - letter stating Joint Checking Account
- Applicant's Exhibit #25 - Tinker Federal Credit Union - Account Agreement & Ownership Designation
- Applicant's Exhibit #26 - Lien - 2004 Ford Expedition in both their names
- Applicant's Exhibit #27 - Certificate of Title - 2004 Ford Expedition
- Applicant's Exhibit #28 - Assignment of Title - 2004 Ford Expedition
- Applicant's Exhibit #29 - Tinker Federal Credit Union - Auto Loan on 2004 Ford Expedition (2 pages)
- Applicant's Exhibit #30 - Vehicle Registration - 2004 Ford Expedition
- Applicant's Exhibit #31 - Tinker Federal Credit Union - Auto Loan on 2000 Ford Windstar
- Applicant's Exhibit #32 - Lien - 2000 Ford Windstar in both their names
- Applicant's Exhibit #33 - Church Directory Listing - Eastside Church of Christ (2 pages)
- Applicant's Exhibit #34 - Letter from Chelsey Johnson - Carolyn Marston's granddaughter
- Applicant's Exhibit #35 - Ford Funeral Service - Guestbook for David Patrick Pierce

Ms. Marston also had an additional exhibit she asked to be submitted for the record

- Applicant's Exhibit #36
 - Letter from Aryn Reynolds, stating knowledge of David Pierce and Carolyn Marston's relationship
 - Letter from Cherilyn Pritchett-Frazer, stating knowledge of David Pierce and Carolyn Marston's relationship; dated February 18, 2013
 - Statement from Diane Pritchett, stating knowledge of David Pierce and Carolyn Marston's relationship
 - Letter from Sharon Caldwell, stating knowledge of David Pierce and Carolyn Marston's relationship; dated February 15, 2013
 - Accumulator Plus Enrollment form for Carolyn Marston listing David Pierce as spouse and Beneficiary

Motion by W.B. Smith and second by Ryan Perkins to go into Executive Session (at approximately 9:36 am). Ayes: Craig Akard, Tom Custer, Jim Keesee, Charles Kerr, Susan Knight, Brandy Manek, Ryan Perkins, Randy Scott, Rick Smith, W. B. Smith and Frank Stone. Absent: Tony Davenport and Andy McPherson. Motion Carried.

Motion by Craig Akard and second by W.B. Smith to go back into Open Session (at approximately 10:05 am). Ayes: Craig Akard, Tom Custer, Jim Keesee, Charles Kerr, Susan Knight, Brandy Manek, Ryan Perkins, Randy Scott, Rick Smith, W. B. Smith and Frank Stone. Absent: Tony Davenport and Andy McPherson. Motion Carried.

Motion by Craig Akard and second by W.B. Smith to continue hearing allowing time for applicant to try and gather some additional documentation. Ayes: Craig Akard, Tom Custer, Jim Keesee, Charles Kerr, Susan Knight, Brandy Manek, Ryan Perkins, Randy Scott, Rick Smith, W. B. Smith and Frank Stone. Absent: Tony Davenport and Andy McPherson. Motion Carried.

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APPROVAL OF MINUTES OF BOARD MEETING HELD JANUARY 16, 2013

Motion by W.B. Smith and second by Randy Scott to approve the Minutes of the Regular Board Meeting held January 16, 2013. Ayes: Tom Custer, Jim Keesee, Charles Kerr, Susan Knight, Ryan Perkins, Randy Scott, Rick Smith, W. B. Smith and Frank Stone. Abstain: Craig Akard and Brandy Manek. Absent: Tony Davenport and Andy McPherson. 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> |
|----------------------|--------------|
| Justin D. Kennedy | Atoka |
| Troylee D. Ali | Bartlesville |
| Michael P. Mayer Jr. | Bartlesville |
| Jonathan R. Hall | Bristow |
| Brian L. Byrd | Broken Arrow |
| Michael E. Ferguson | Broken Arrow |
| Christian K. Portiss | Broken Arrow |
| Zachary B. Vick | Broken Arrow |
| Clark D. VanDyck | Chickasha |
| Reid C. Kerr | Chickasha |
| Jacob W. Scott | Chickasha |
| Derek R. Seevers | Chickasha |
| Whitney L. Taylor | Del City |
| Sabrina L. Lee | Dewey |
| Randall B. Collins | Grove |
| Robert J. Reynolds | Hugo |
| Jacob B. Williams | Hugo |
| Whitten W. Kent | Idabel |
| Joshua L. Rockwell | Okmulgee |
| Caleb A. Sherman | Okmulgee |

| | |
|------------------------|-------------|
| Jared R. Gray | Ponca City |
| Vernon C. Green | The Village |
| Christopher M. McAloon | The Village |
| John C. Garcia | Tonkawa |
| Jere L. Smith | Wetumka |
| Linda K. Crawford | Wewoka |
| Matthew L. Haynie | Woodward |
| Aaron M. Crompton | Blackwell |
| Jeffery S. Adams | Enid |
| Winston A. Collums | Enid |
| Ashton W. Fletcher | Enid |
| Anthony C. Miller | Enid |
| Kyle A. Pierce | Enid |
| Kaylee C. Smarr | Perkins |
| Derrick D. Perryman | Sulphur |
| Gregory B. Coats | Wewoka |

b. Application for Refund of Contributions:

| <u>Name</u> | <u>City</u> |
|---|---------------|
| Jerrold W. Martin | Bixby |
| Sabrina Freppon | Chandler |
| Shana M. McKee, widow of Dusten M. McKee | Del City |
| Mark D. Decker | Enid |
| Vladimir S. Iglesias | Enid |
| Brittany M. Schulte, widow of Kevin D. Schulte | Lawton |
| Justin Stevenson | Midwest City |
| Gene Morris | Perkins |
| Benjamin J. Flowers | Sulphur |
| Blake McDaniel | Tuttle |
| Kevin Patrick | Woodward |
| Donquell Brown | Lawton |
| David Hernandez-Medrano | Oklahoma City |
| John Spaid | Oklahoma City |

c. Terminate Deferred Option Plan to Begin Service Pension:

| <u>Name</u> | <u>City</u> | <u>Eff. Date</u> |
|------------------|--------------|------------------|
| Larry A. Hampton | Bartlesville | 4/1/2013 |

d. 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> |
|-------------------------|---------------|----------------------|----------------------------------|
| Michael D. Bennett, Sr. | Altus | 03/01/2008 | 03/01/2013 |
| Jerry E. Caldwell | Oklahoma City | 02/01/2008 | 02/01/2013 |
| Lorre Freeman | Oklahoma City | 03/01/2009 | 03/01/2013 |
| Clifton Bales | Tulsa | 09/01/2012 | 03/01/2013 |

e. Application for Vested Benefit:

| <u>Name</u> | <u>City</u> | <u>Eff. Date</u> |
|-------------------|-------------|------------------|
| Jack Hollingshead | Glenpool | 11/5/2012 |

f. Death Benefit:

| <u>Name</u> | <u>City</u> |
|--|---------------|
| Bonnie Fitzpatrick, widow of Gwin Fitzpatrick | Chickasha |
| Shana M. McKee, widow of Dusten M. McKee | Del City |
| Brittany M. Schulte, widow of Kevin D. Schulte | Lawton |
| Mary O. Mauldin, widow of George M. Mauldin, Sr. | Norman |
| Elke C. Meeus, widow of Kelley A. Chase | Oklahoma City |
| Karin A. Hodges, widow of Hershall W. Hodges | Oklahoma City |
| Cheryl R. Makinster, widow of William Donald "Bill" Makinster | Tulsa |
| Barbara McEntire, Personal Rep. of James L. Blythe | Miami |

g. Continuation of Benefit:

| <u>Name</u> | <u>City</u> |
|--|---------------|
| Bonnie Fitzpatrick, widow of Gwin Fitzpatrick | Chickasha |
| Mary O. Mauldin, widow of George M. Mauldin, Sr. | Norman |
| Karin A. Hodges, widow of Hershall W. Hodges | Oklahoma City |
| Cheryl R. Makinster, widow of William Donald "Bill" Makinster | Tulsa |

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

| <u>Name</u> | <u>City</u> |
|---|---------------|
| Michael M. Atchley, Personal Rep. of Stephanie M. Galusha | Enid |
| Gregory T. Colker, Personal Rep. of Steven M. Colker | Oklahoma City |
| Debra K. Roe, Personal Rep. of Joanna J. Hall | Oklahoma City |
| Stephen D. Hogan, Personal Rep. of Paul S. Parker | Oklahoma City |
| Darla L. Newcomb, Personal Rep. of Ernest W. Stevenson Jr. | Oklahoma City |
| Barbara McEntire, Personal Rep. of James L. Blythe | Miami |

i. Termination of Benefit:

| <u>Name</u> | <u>City</u> |
|-------------------------|---------------|
| Stephanie M. Galusha | Enid |
| Steven M. Colker | Oklahoma City |
| Joanna J. Hall | Oklahoma City |
| Ernest W. Stevenson Jr. | Oklahoma City |

j. Application for Survivor’s Pension for Death in Line of Duty:

| <u>Name</u> | <u>City</u> | <u>Eff. Date</u> |
|---|---------------|------------------|
| Elke C. Meeus, widow of Kelley A. Chase | Oklahoma City | 10/13/2012 |

Motion by W.B. Smith 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, Ryan Perkins, Randy Scott, Rick Smith, W. B. Smith and Frank Stone. Absent: Tony Davenport and Andy McPherson. 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 January 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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BUCK CONSULTANTS – PRESENTATION OF ACTUARIAL EXPERIENCE STUDY. BOARD TO TAKE APPROPRIATE ACTION AS DEEMED NECESSARY.

Mr. David Kent and Mr. Matthew Smith presented the Actuarial Assumption Experience Study (July 1, 2007 to June 30, 2012), a copy of which is attached as Exhibit “E”.

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ASSET CONSULTING GROUP – FINANCIAL CONSULTANT REPORT FOR MONTH ENDED JANUARY 31, 2013, QUARTERLY REPORT FOR QUARTER ENDED DECEMBER 31, 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 Year in Review 2012, a copy of which is attached as Exhibit “F”. He also reviewed the Investment Performance Review; for the Periods Ending December 31, 2012, a copy of which is attached as Exhibit “G”. He stated we started the Quarter at \$1,845,606,000.00. and ended at \$1,860,376,000.00.

Mr. Pulos also reviewed the ASAP report for the month ended January 31, 2013, a copy of which is attached as Exhibit “H”. As of January 31, 2013, the total Fund was approximately \$1,922,056.000.00. The one-year return net of fees for the total Fund is 11.60%.

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REVIEW OF BILLS INTRODUCED BY THE HOUSE OF REPRESENTATIVES AND THE SENATE WHICH WOULD IMPACT THE OKLAHOMA POLICE PENSION AND RETIREMENT SYSTEM AND/OR OTHER STATE RETIREMENT SYSTEMS.

Mr. Steven Snyder updated the Board on the bills that deal with OPPRS or other pension systems. He stated there were a total of 85 pension bills but only 4 of those dealt with OPPRS.

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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 advised the Board that the rules were making their way through the process and we would hear Public Comments at the March board meeting.

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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 that we had received a letter from Chesapeake’s legal counsel and they will not be going forward with the purchase of Columbus Square.

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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 all the cases were still in a “pending” status.

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NEW BUSINESS

No New Business

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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

The board discussed the upcoming IFEBP and NCPERS conferences.

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DIRECTOR’S REPORT

Mr. Snyder reported that Directors Letters for Districts 2, 5, & 7 will be mailed February 21, 2013 and the deadline to return them is March 27, 2013.

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DISCUSS TRUSTEE TO TRUSTEE TRANSFER OF SERVICE CREDIT FROM OPPRS TO OLERS AND POSSIBLE LITIGATION CLAIM. PROPOSED EXECUTIVE SESSION, TO DISCUSS TRUSTEE TO TRUSTEE TRANSFER OF SERVICE CREDIT FROM OPPRS TO OLERS AND POSSIBLE LITIGATION CLAIM PURSUANT TO 25 O.S. § 307(B)(4)

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

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

Motion by Craig Akard and second by W.B. Smith to ask the Oklahoma Attorney General for an Informal Opinion/Advice Letter regarding the Trustee to Trustee transfer of Service Credit from OPPRS to OLERS. Ayes: Craig Akard, Tom Custer, Jim Keesee, Charles Kerr, Susan Knight, Brandy Manek, Ryan Perkins, Randy Scott, Rick Smith, W. B. Smith and Frank Stone. Absent: Tony Davenport and Andy McPherson. Motion Carried.

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The meeting was recessed at approximately 12:30 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.