

**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 19, 2014

The regular meeting of the Oklahoma Police Pension and Retirement Board was called to order by Vice Chairman Ryan Perkins at approximately 9:00 a.m. on Wednesday, February 19, 2014, in the Board Room of the Oklahoma Police Pension and Retirement System.

MEMBERS PRESENT: Craig Akard, Tom Custer, Andy McPherson, Ryan Perkins, Rick Smith, W.B. Smith, Frank Stone, Jeff Pierce, and Tim Foley

OTHERS: Steven K. Snyder, Executive Director; Darcie Gordon, Administrative Officer; Christina Hirschman, Executive Legal Assistant; Deric Berousek, Chief Financial Officer; Sean Ruark, Pension Administration Officer; Kim Heaton, Attorney General's Office; Jason Pulos, Asset Consulting Group; Kirk Hall, Fred Hall, and Clay Moss, Hall Capital, LLC.

MEMBERS ABSENT: Tony Davenport, Jim Keesee, Susan Knight, and Brandy Manek

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Note Susan Knight arrived at approximately 9:13 a.m.

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APPROVAL OF MINUTES OF BOARD MEETING HELD JANUARY 15, 2014

Motion by WB Smith and second by Tom Custer to approve the Minutes of the Regular Board Meeting held January 15, 2014. Ayes: Craig Akard, Tom Custer, Ryan Perkins, Rick Smith, W.B. Smith, Frank Stone, Jeff Pierce and Tim Foley. Absent: Tony Davenport, Jim Keesee, Susan Knight, and Brandy Manek. Abstain: 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>
Kevin S. Kropp	Ardmore
Jacquelyn M. Searson	Blanchard
Kevin R. Brown	Chandler
Colten J. Weger	Chickasha
Gregory R. Stone	Claremore
Aaron W. Sherman	Cushing
Brian L. Boney	El Reno
Charles A. Graham	Glenpool
Nicholas R. Chandlee	Jenks
Robert B. Golliday	Jenks

Zachary S. Stuckey	Jenks
Michael S. Jones	Lamont
Derek K. Shaw	Moore
Joe K. Kahlden	Noble
Justin F. Brown	OSBI
Troy D. Morris	OSBI
Tyler J. Childers	Sapulpa
Mark A. Hulett	Sapulpa
Daniel J. Crisp	Shawnee
Aaron M. Smittle	Stillwater
Mitchell W. Lee	Vinita
Travis R. Ratcliffe	Weatherford
Raymond D. Mitchell	Woodward
Chad M. Reid	Ada
Kristina K. Jones	Alva
Tracy J. Teal, Jr.	Clinton
Derek J. Speckman	Guthrie
Marcus A. Groh	Watonga

b. Application for Refund of Contributions:

<u>Name</u>	<u>City</u>
Adam Vanlandingham	Ada
Jose T. Campos	Altus
Jennifer Kearns	Altus
Randal Ingram	Atoka
Clark Tucker	Blanchard
Michael Shufeldt	Durant
Stephen Campbell	El Reno
Anthony C. Miller	Enid
Gary D. Parks	Frederick
Shawnee Skinner	Frederick
David L. Sergeant	Grove
Charles Lawless	Muskogee
Ronald J. Wilson	Newkirk
William Couch	Oklahoma City
Jermaine Foster	Oklahoma City
Ethan Nguyen	Oklahoma City
Michael Williams	Oklahoma City
Codie Bolin	Sulphur
Darrin D. Roberts	Tulsa
Zachary Richardson	Tuttle
Issac Cevantes	Jenks
Dalas Anderson	Lawton

c. Application for Deferred Option Plan:

<u>Name</u>	<u>City</u>	<u>Eff. Date</u>
John K. Toles	Muskogee	03/01/2014
Marvin Denny	Oklahoma City	03/01/2014

d. Terminate Deferred Option Plan to Begin Service Pension:

<u>Name</u>	<u>City</u>	<u>Eff. Date</u>
Delbert D. Vincent	Ponca City	02/01/2014
Tony T. Alexander	Woodward	03/01/2014

e. 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>
Phillip Wise	Bethany	02/01/2012	02/01/2014
Chris Ray	Duncan	02/01/2010	02/01/2014
James R. Cowley, Jr.	Lawton	03/01/2009	03/01/2014
Kenneth M. Sloan	Midwest City	05/01/2009	04/01/2014
Charles W. Daily	Norman	08/01/2009	02/01/2014
LaTina Dyroff	Oklahoma City	03/01/2009	03/01/2014
Dan Evans	Oklahoma City	03/01/2009	03/01/2014
James K. Cleveland	Tulsa	03/01/2009	03/01/2014
Monty J. Martin	Woodward	02/01/2009	02/01/2014
Thomas R. Cospser	Ada	03/01/2009	03/01/2014

f. Application for Vested Benefit:

<u>Name</u>	<u>City</u>	<u>Eff. Date</u>
Jeremy S, O'Brien	Ada	06/10/2022
William Straily	Lawton	01/02/2023
Kimberly A. Dibble	Shawnee	06/09/2026

g. Death Benefit:

<u>Name</u>	<u>City</u>
Jason T. Barrett, Personal Rep. Of Danny W. Barrett	Ada
Christine M. Mead, widow of Clarence B. Mead	Oklahoma City
Lorna J. Wingo, widow of Glen R. Wingo	Shawnee
George McCutchen, widower of Adelene McCutchen	Tulsa
Jimmie M. Smith, widow of Jack W. Smith	Oklahoma City

h. Continuation of Benefit:

<u>Name</u>	<u>City</u>
Christine M. Mead, widow of Clarence B. Mead	Oklahoma City
Lorna J. Wingo, widow of Glen R. Wingo	Shawnee
George McCutchen, widower of Adelene McCutchen	Tulsa
Jimmie M. Smith, widow of Jack W. Smith	Oklahoma City

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

<u>Name</u>	<u>City</u>
Jason T. Barrett, Personal Rep. Of Danny W. Barrett	Ada
John D. Jones, Personal Rep. Of Amelia M. Jones	Muskogee

j. Termination of Benefit:

<u>Name</u>	<u>City</u>
Danny W. Barrett	Ada
Amelia M. Jones	Muskogee

Motion by WB Smith and second by Tom Custer for approval of applications for Police Deferred Option Plan, Participation, Service Pension, Refunds and Benefits and the Addendum. Ayes: Craig Akard, Tom Custer, Andy McPherson, Ryan Perkins, Rick Smith, W.B. Smith, Frank Stone, Jeff Pierce and Tim Foley. Absent: Tony Davenport, Jim Keesee, Susan Knight, and Brandy Manek. Motion Carried.

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JEFF MEADOWS, EDMOND – REQUEST TO BUY BACK PRIOR SERVICE WHILE EMPLOYED WITH THE ELK CITY POLICE DEPARTMENT FROM 02/17/1990 TO 10/25/1996. BOARD TO TAKE APPROPRIATE ACTION AS DEEMED NECESSARY.

Mr. Tom Custer advised the board that the buyback was actually for prior time from the Edmond Police Department, not Elk City as indicated on the agenda. (The application/paperwork also verified that buyback was for time from Edmond Police Department)

Motion by Tom Custer and second by W.B. Smith to approve request to buy back prior service while employed with the Edmond Police Department. Ayes: Craig Akard, Tom Custer, Andy McPherson, Ryan Perkins, Rick Smith, W.B. Smith, Frank Stone, Jeff Pierce and Tim Foley. Absent: Tony Davenport, Jim Keesee, Susan Knight, 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 January 2014 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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HALL CAPITAL, LLC – PRESENTATION, DISCUSSION AND POSSIBLE VOTE REGARDING REAL ESTATE PRIVATE EQUITY FUND INVESTMENT (HALL CAPITAL III FUND). BOARD TO TAKE APPROPRIATE ACTION AS DEEMED NECESSARY.

Kirk Hall, Fred Hall, and Clay Moss presented Hall Capital Fund III, a copy of which is attached as Exhibit "E".

Motion by W.B. Smith and second by Frank Stone to commit \$7.5 million, pending due diligence, to Hall Capital III Fund. Ayes: Craig Akard, Tom Custer, Susan Knight, Andy McPherson, Ryan Perkins, Rick Smith, W.B. Smith, Frank Stone, Jeff Pierce and Tim Foley. Absent: Tony Davenport, Jim Keesee, and Brandy Manek. Motion Carried.

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ASSET CONSULTING GROUP – FINANCIAL CONSULTANT REPORT FOR MONTH ENDED JANUARY 31, 2014, QUARTERLY REPORT FOR QUARTER ENDED DECEMBER 31, 2013, AND DISCUSSION ON REBALANCING PORTFOLIO ASSETS AMONG VARIOUS ASSET STRATEGIES AND MANAGERS; BOARD TO TAKE APPROPRIATE ACTION AS DEEMED NECESSARY.

Mr. Jason Pulos reviewed the ASAP report for the month ended January 31, 2014, a copy of which is attached as Exhibit “F”. As of January 31, 2014, the total Fund was approximately \$2,106,927,000.00. The one-year return net of fees for the total Fund is 10.98%.

Mr. Pulos also reviewed the Quarterly Report for Quarter ended December 31, 2013, a copy of which is attached as Exhibit “G”

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ASSET CONSULTING GROUP – DISCUSSION AND POSSIBLE VOTE REGARDING ISSUING RFP FOR A COMMODITIES MANAGER. BOARD TO TAKE APPROPRIATE ACTION AS DEEMED NECESSARY.

Mr. Jason Pulos discussed the Oklahoma Police Pension and Retirement System Commodity Discussion, a copy of which is attached as Exhibit “H”.

Mr. Pulos stated that in 2011 the board had revised the asset allocation and developed new targets. The real change was in Real Assets, from 5% to 15%, which was intended to be diversified across 3 main components. The 3 areas are Core Real Estate, Opportunistic/Value Added and Commodities which provided significant diversification benefits and more direct inflation hedge.

Motion by W.B. Smith and second by Tom Custer to approve issuing an RFP for a Commodities Manager. Ayes: Craig Akard, Tom Custer, Susan Knight, Andy McPherson, Ryan Perkins, Rick Smith, W.B. Smith, Frank Stone, Jeff Pierce and Tim Foley. Absent: Tony Davenport, Jim Keesee, and Brandy Manek. Motion Carried.

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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 reviewed the Board Info Bill Portfolio, a copy of which is attached as Exhibit “I”. It contained 27 bills, currently active, that related to pension systems.

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LITIGATION REPORT – PROPOSED EXECUTIVE SESSION, IF DEEMED NECESSARY BY LEGAL COUNSEL TO DISCUSS CASE NO. 8703-VCL, IN RE DOLE FOOD COMPANY, INC. (STATE OF DELAWARE COURT OF CHANCERY)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. 1:11-CV-08066-JGK, IN RE OPPRS V. U.S. BANK NATIONAL ASSOCIATION, (UNITED STATES DISTRICT COURT, SOUTHERN DISTRICT OF NEW YORK); 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. Steven Snyder advised the board that no Executive Session was necessary, also that all the lawsuits were still pending and there had been no change in status. Mr. Snyder advised that Career Education was in the final distribution stages and OPPRS should have their payout no later than April 14, 2014. Dole Food Company and Tempur-Pedic are still in discovery stage. U.S. Bank National Association just finished electronic discovery and will be ongoing for some time.

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NEW BUSINESS

No new business

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BOARD MEMBERS' REPORTS

Jeff Pierce and Tom Custer applauded Sean Ruark for the Road to Retirement Seminar he did in Midwest City. They said there were lots of great questions and comments and felt they reached a wide audience.

W.B. Smith discussed SB1858, which has to do with health insurance for retired municipal employees.

Ryan Perkins advised the board that the Mayor of Tulsa said effective immediately any retired non-sworn personnel would no longer have their health benefit allowance. The Mayor also put on notice, as of July 2014, all contracted sworn officers, who are part of a union, that it is his intention not to negotiate contingencies into any contracts. He stated that the average retired police officer would be losing \$156.00/month.

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

Mr. Snyder advised the board that NCPERS would be held in Chicago, IL, April 27 – May 1, 2014, IFEBP would be in Boston, MA in October 12-15 2014, and OPFTEC would be in Norman, OK September 24-26, 2014.

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DIRECTOR'S REPORT

Mr. Snyder reported that Directors Letters were mailed on February 7, 2014 and Nomination Petitions were due back by March 6, 2014. He stated District 3 (Rick Smith) and District 6 (Jeff Pierce) were up for re-election.

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The meeting was adjourned at approximately 10:20 a.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 DARCIE GORDON, ADMINISTRATIVE OFFICER.