

**MINUTES OF THE REGULAR MEETING OF THE  
OKLAHOMA POLICE PENSION AND RETIREMENT BOARD**  
Board Room  
1001 N.W. 63<sup>rd</sup> Street, Suite 305  
Oklahoma City, Oklahoma 73116  
January 18, 2012

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, January 18, 2012, in the Board Room of the Oklahoma Police Pension and Retirement System.

MEMBERS PRESENT: Craig Akard, Jeff Cealka, Tom Custer, Tony Davenport, Jim Keese, Charles Kerr, Susan Knight, 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; Jason Pulos, Asset Consulting Group; Pat Hall, Chesapeake Lobbyist and Neil Vickers of Norman.

MEMBERS ABSENT: Preston Doerflinger

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\*\*\*Note\*\*\* Preston Doerflinger arrived at approximately 10:13 a.m.

**APPROVAL OF MINUTES OF BOARD MEETING HELD DECEMBER 21, 2011**

Motion by W.B. Smith and second by Craig Akard to approve the Minutes of the Regular Board Meeting held December 21, 2011. Ayes: Craig Akard, Jeff Cealka, Tom Custer, Tony Davenport, Jim Keese, Charles Kerr, Susan Knight, Andy McPherson, Randy Scott, Rick Smith, W. B. Smith, and Frank Stone. Absent: Preston Doerflinger. 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>
Matthew S. Whitehead	Clinton
Michael O. Johns	Guthrie
Reginald L. Smith	Guthrie
Jade A. Terbush	Guthrie
Royce A. Glass	Lindsay
Jeramie E. Garcia	Muskogee
Willie J. Shaw, III	Sayre
Kelby J. Hughes	Tishomingo
Michael T. Windle	Wewoka

b. Application for Refund of Contributions

<u>Name</u>	<u>City</u>
Michael E. Kennedy	Haskell
Doug Danker	Henryetta
Curtis R. Fields, II	Idabel
Stephen West	Nichols Hills
Lincoln J. Mulherin	Kingfisher
Alphonzo Rudd	Muskogee
Vincent M. Dewberry	Oklahoma City
Colin J. Daugherty	Ponca City

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>
Jerry Shively	Lawton	02/01/2007	02/01/2012
Donald K. Hudgins	Midwest City	09/01/2009	12/01/2011
John W. Hobbs, Sr.	Newkirk	02/01/2007	02/01/2012
Glen R. Emery	Tulsa	02/01/2007	02/01/2012
Bradd D. McMinn	Miami	12/01/2008	02/01/2012

d. Application for Deferred Option Plan:

<u>Name</u>	<u>City</u>	<u>Eff. Date</u>
Fred L. LeValley	Blackwell	02/01/2012
Mark Nickel	Midwest City	02/01/2012
Fred M. Moon	Oklahoma City	04/01/2012

e. Terminate Deferred Option Plan to Begin Service Pension:

<u>Name</u>	<u>City</u>	<u>Eff. Date</u>
Mark P. Hudson	Muskogee	01/01/2012
Gilbert L Hensley, Jr.	Oklahoma City	02/01/2012

f. Death Benefit

<u>Name</u>	<u>City</u>
Debra J. Lira, widow of Ramon Lira	Oklahoma City
Carolyn Thomas, widow of James H. Thomas	Tulsa

g. Application for Monies Due the Estate from the System

<u>Name</u>	<u>City</u>
Cynthia Hoffmann, Personal Rep. of Rosemary A. Peyton	Tulsa

h. Continuation of Benefit

<u>Name</u>	<u>City</u>
Debra J. Lira, widow of Ramon Lira	Oklahoma City
Carolyn Thomas, widow of James H. Thomas	Tulsa

i. Termination of Benefit

Name  
Rosemary A. Peyton

City  
Tulsa

Motion by W.B. Smith and second by Craig Akard for approval of applications for Police Deferred Option Plan, Participation, Service Pension, Refunds and Benefits and the Addendum. Ayes: Craig Akard, Jeff Cealka, Tom Custer, Tony Davenport, Jim Keesee, Charles Kerr, Susan Knight, Andy McPherson, Randy Scott, Rick Smith, W. B. Smith and Frank Stone. Absent: Preston Doerflinger. Motion Carried.

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**CONTINUATION OF HEARING: CASE NO. OPRB 10-02, APPLICATION FOR DISABILITY BENEFIT IN LINE OF DUTY FOR LAURA L. BOWMAN, NORMAN**

Mr. Snyder advised the board a request was received from Laura Bowman's legal counsel Mr. Moore to continue the case until the February Board meeting.

Motion by Jeff Cealka and second by Andy McPherson for legal counsel to continue case to February Board Meeting. Ayes: Craig Akard, Jeff Cealka, Tom Custer, Tony Davenport, Jim Keesee, Charles Kerr, Susan Knight, Andy McPherson, Randy Scott, Rick Smith, W. B. Smith, and Frank Stone. Absent: Preston Doerflinger. 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 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 DECEMBER 31, 2011 AND DISCUSSION ON REBALANCING PORTFOLIO ASSETS AMONG VARIOUS ASSET STRATEGIES AND MANAGERS. BOARD TO TAKE APPROPRIATE ACTION AS DEEMED NECESSARY**

Mr. Pulos briefly reviewed the ASAP report for the month ended December 31, 2011, a copy of which is attached as Exhibit "E". As of December 31, 2011, the total Fund was approximately \$1,700,066.00. The one-year return net of fees for the total Fund is 0.28%.

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**CONSIDERATION AND VOTE ON THE TERMINATION OF CONTRACT WITH ARTIO GLOBAL MANAGEMENT; BOARD TO TAKE APPROPRIATE ACTION AS DEEMED NECESSARY.**

Mr. Pulos discussed with the board and recommended the board make a 100% redemption from Artio Global Management.

Motion by Tony Davenport and second by Randy Scott to terminate the contract with Artio Global Management. Ayes: Craig Akard, Jeff Cealka, Tom Custer, Tony Davenport, Jim Keesee, Charles Kerr, Susan Knight, Frank Stone, Andy McPherson, Randy Scott, Rick Smith and W. B. Smith. Absent: Preston Doerflinger. Motion Carried.

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**CONSIDERATION AND VOTE ON WHICH INTERNATIONAL GROWTH EQUITY MANAGER(S) TO SELECT FOR PORTFOLIO; BOARD TO TAKE APPROPRIATE ACTION AS DEEMED NECESSARY.**

Mr. Pulos reviewed with the Board the International Growth Manager(s) Selection Overview and recommended Baring Asset Management. (a copy of which is attached as Exhibit "F" ).

Motion by W.B. Smith and second by Andy McPherson to select Baring Asset Management. Ayes: Craig Akard, Jeff Cealka, Tom Custer, Tony Davenport, Jim Keesee, Charles Kerr, Susan Knight, Andy McPherson, Randy Scott, Rick Smith, W. B. Smith and Frank Stone. Absent: Preston Doerflinger. Motion Carried.

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**CONSIDERATION AND VOTE ON THE ALLOCATION OF ASSETS FROM ARTIO GLOBAL TO SELECTED INTERNATIONAL GROWTH MANAGER(S); BOARD TO TAKE APPROPRIATE ACTION AS DEEMED NECESSARY.**

Motion by Tony Davenport and second by Randy Scott 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: Preston Doerflinger. Motion Carried.

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**CONSIDERATION AND VOTE ON ALLOCATION OF 3.5% OF PORTFOLIO TO VONTOBEL ASSET MANAGEMENT INC.; BOARD TO TAKE APPROPRIATE ACTION AS DEEMED NECESSARY.**

Mr. Pulos reviewed with the board the recommended allocation of 3.5% to Vontobel Asset Management. The recommended 3.5% funding will come from Mellon Capital. The target funding date will be February 1st, 2012.

Motion by W.B. Smith and second by Tom Custer to allocate 3.5% of portfolio to Vontobel Asset Management. Ayes: Craig Akard, Jeff Cealka, Tom Custer, Tony Davenport, Jim Keesee, Charles Kerr, Susan Knight, Andy McPherson, Randy Scott, Rick Smith, W. B. Smith and Frank Stone. Absent: Preston Doerflinger. Motion Carried.

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**ASSET CONSULTING GROUP – UPDATE ON LONG/SHORT EQUITY MANAGER RFP; BOARD TO TAKE APPROPRIATE ACTION AS DEEMED NECESSARY.**

Mr. Pulos stated Asset Consulting Group was in the process of evaluating the 34 RFP's that we received for Long/Short Equity manager.

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**ASSET CONSULTING GROUP – TRUSTEE EDUCATION PRESENTATION RELATING TO COMMODITIES & REAL ESTATE INVESTMENTS.**

Mr. Pulos briefly discussed with the Board the Real Estate Allocation Target, Portfolio, Exposure Projections and Program Planning. (a copy is attached as Exhibit "G")

Mr. Pulos also gave a brief presentation regarding commodities education to the board. (a copy is attached as Exhibit "H")

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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**

Judge Patton recommended that the Board go into Executive Session to discuss Litigation Report.

Motion by Tony Davenport and second by Jeff Cealka that the Board go into Executive Session as recommended by Judge Patton (at approximately 9:55 a.m.). Ayes: Craig Akard, Jeff Cealka, Tom Custer, Tony Davenport, Jim Keesee, Charles Kerr, Susan Knight, Andy McPherson, Randy Scott, Rick Smith and W.B. Smith, Frank Stone. Absent: Preston Doerflinger. Motion Carried.

Motion by Jeff Cealka and second by W.B. Smith that the Board go back into Open Session (at approximately 10:09 a.m.). Ayes: Craig Akard, Jeff Cealka, Tom Custer, Tony Davenport, Jim Keesee, Charles Kerr, Susan Knight, Andy McPherson, Randy Scott, Rick Smith and W.B. Smith, Frank Stone. Absent: Preston Doerflinger. Motion Carried

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**NEW BUSINESS**

Jeff Cealka asked the board to research the possibility of purchasing back time that was lost if an active member who was laid off and rehired by the same agency.

Jeff Cealka requested that the staff develop a survey to evaluate the services rendered by OPPRS. Request to put on the agenda for next board meeting.

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**BOARD MEMBERS' REPORTS**

W.B. Smith asked about a new tracking list on eCapital for the upcoming legislative session.

Jeff Cealka requested an item to be added to next month's agenda to discuss developing a survey to evaluate the services rendered by OPPRS staff.

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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 to contact Darcie for travel arrangements.

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**DIRECTOR’S REPORT**

Mr. Snyder reported to the Board that the active member statements were mailed out the week of January 9th and the 1099-R’s will be mailed out by January 31, 2012

The election process will begin soon for Districts 1 & 4. The members of these districts will be receiving information in the mail regarding the elections.

The IRS technical cleanup bill is SB1214. It will be included on the tracking list that is being setup for the board.

Mr. Snyder handed out an article from Bloomberg Business Week regarding Representative McDaniel’s proposal regarding the Oklahoma Firefighters Pension and Retirement System.

Mr. Snyder handed out a Fundfire article regarding redemption request from Ardio Global Investors.

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**JOEL S. FORMBY NORMAN – REQUEST TO BUY BACK PRIOR SERVICE WHILE EMPLOYED WITH THE NORMAN POLICE DEPARTMENT FROM 09/18/89 TO 01/16/96. BOARD TO TAKE APPROPRIATE ACTION AS DEEMED NECESSARY.**

Motion by Jim Keesee and second by Craig Akard for approval of request to buy back prior service while employed with the Norman Police Department from 09/18/89 to 01/16/96. 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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**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 Randy Scott and second by Rick Smith that the Board go into Executive Session (at approximately 10:26 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 Preston Doerflinger and second by Jim Keesee that the Board go back into Open Session (at approximately 11:05 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.

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The meeting was adjourned at approximately 11:05 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 ANDREA HOUSTON, ADMINISTRATIVE OFFICER.