

**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**

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

MEMBERS PRESENT: Craig Akard, Tom Custer, Tony Davenport, Jim Keesee, Charles Kerr, Susan Knight, Andy McPherson, Ryan Perkins, Randy Scott, Rick Smith, W. B. Smith and Frank Stone

OTHERS: Steven K. Snyder, Executive Director; Darcie Gordon, Administrative Assistant; Sean Ruark, Pension Analyst; Nan J. Patton, Legal Advisor; George Tarlas, Asset Consulting Group; Jim Moore, James R. Moore & Associates, PC; Terry White, Young Reporting Services; Laura Gardner-Bowman, and John Bowman.

MEMBERS ABSENT: Brandy Manek

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Note Brandy Manek arrived at approximately 9:11 a.m.

APPROVAL OF MINUTES OF BOARD MEETING HELD JUNE 20, 2012

Motion by W.B. Smith and second by Tony Davenport to approve the Minutes of the Regular Board Meeting held June 20, 2012. Ayes: Craig Akard, Tom Custer, Tony Davenport, Jim Keesee, Charles Kerr, Ryan Perkins, Rick Smith, W. B. Smith and Frank Stone. Abstain: Susan Knight, Andy McPherson, Randy Scott. Absent: Brandy Manek
Motion Carried.

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

Ms. Laura Bowman was in attendance at the hearing, as well as her husband John Bowman and her attorney Jim Moore.

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

- Exhibit 1 – Notice of Hearing, dated October 31, 2011
- Exhibit 2 – Application for Disability Benefit In Line of Duty, dated March 19, 2011
- Exhibit 3 – Letter from the City of Norman stating there was no position for the applicant, dated June 4, 2010
- Exhibit 4 – OPPRS entrance physical, dated February 4, 1997
- Exhibit 5 – Medical Report from Dr. M.C. Smith-Horn, dated July 2, 2001
- Exhibit 6 – Medical Report from Dr. Kent Hensley, dated August 24, 2001
- Exhibit 7 – Medical Report from Kim Wise, PA, dated November 25, 2005
- Exhibit 8 – Medical Report from Dr. J. Patrick Livingston, dated October 25, 2007

- Exhibit 9 – Medical Report from Dr. J. Patrick Livingston, dated April 21, 2008
- Exhibit 10 – Medical Report from Dr. John Munneke, dated October 29, 2007
- Exhibit 11 – Medical Report from Dr. John Munneke, dated May 5, 2008
- Exhibit 12 – Order and Joint Petitions from the Oklahoma Workers Compensation Court, dated March 23, 2009
- Exhibit 13 – Medical Report from Dr. John Munneke, dated August 23, 2011
- Exhibit 14 – Notice of Hearing, dated July 10, 2012

Mr. Jim Moore entered the following exhibits into the record for the applicant:

- Applicants Exhibit 1 – Medical Report from Dr. John Ellis, dated February 16, 2009
- Applicants Exhibit 2 – Medical Report from Dr. Hugh McClure, dated June 16, 2009
- Applicants Exhibit 3 – Medical Report from Dr. John Ellis, dated June 19, 2012
- Applicants Exhibit 4 – Medical Report from Dr. John Ellis, dated July 16, 2012
- Applicants Exhibit 5 – Excerpt from “*Guides to the Evaluation of Permanent Impairment*”

Evidence was presented to the board by Mr. Jim Moore. Legal Advisor, Nan Patton, recommended that the Board go into Executive Session.

Motion by Craig Akard and second by Tony Davenport to go into Executive Session (at approximately 10:02 am). Ayes: Craig Akard, Tom Custer, Tony Davenport, Jim Keesee, Charles Kerr, Susan Knight, Brandy Manek, Andy McPherson, Ryan Perkins, Randy Scott, Rick Smith, W. B. Smith and Frank Stone. Motion Carried.

Motion by Craig Akard and second by Tony Davenport to go back into Open Session (at approximately 10:45 am). Ayes: Craig Akard, Tom Custer, Tony Davenport, Jim Keesee, Charles Kerr, Susan Knight, Brandy Manek, Andy McPherson, Ryan Perkins, Randy Scott, Rick Smith, W. B. Smith and Frank Stone. Motion Carried.

Motion by W.B. Smith and second by Craig Akard to award Ms. Bowman a disability benefit in line of duty based on an impairment of 60% to the whole person which equates to 75% of the normal disability retirement. Ayes: Craig Akard, Tom Custer, Tony Davenport, Charles Kerr, Susan Knight, Brandy Manek, Andy McPherson, Ryan Perkins, Randy Scott, Rick Smith, W. B. Smith and Frank Stone. Nays: Jim Keesee. Motion Carried.

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HEARING: CASE NO. OPPRB 11-07, APPLICATION FOR DISABILITY BENEFIT IN LINE OF DUTY FOR JEFF YARBROUGH, ELK CITY

Mr. Snyder advised the board that a request was received from Jeff Yarbrough to continue the case until the August Board meeting.

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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>
Billy D. Fox	Ardmore
Miguel A. Rivera	Bethany
Ernie E. Shelby	Commerce

Cory D. Lemons	Elk City
Darrell E. Scott	Jenks
Keaton T. Alexander	McAlester
Matthew A. Miller	McAlester
Ryan S. Minard	Moore
Jeffrey W. Shahon, II	Moore
Christopher J. Wilson	Moore
Louis B. Dailey, III	Pawhuska
Billy J. Hooper	Poteau
Shane R. Thompson	Skiatook
Vincent M. Dewberry	Spencer
David J. Gionta	Tulsa
Derek L. Sullins	Tulsa
David S. Richardson	Warr Acres
Travis M. Shields	Ardmore
Jeremy W. Snyder	Catoosa
Dolan W. Sledge	Guymon
Raymond P. Niehus	Lindsay
Christopher L. Hopingardner	Mangum
Derrick W. Boyles	Nowata
Jake M. Duggan	Shawnee
Zachary D. Bradford	Yukon
Matthew D. Catron	Yukon
Michael A. Frame	Yukon
Trudy D. Patterson	Yukon

b. Application for Refund of Contributions

<u>Name</u>	<u>City</u>
Ethan McOsker	Alva
Jimmie L. Roland	Bristow
Drew Wiley	Chickasha
Jason Buckley	Elk City
Karl W. Rindfleisch	Stillwater
Erik P. Goettsch	Weatherford
Benjamin L. Nikkel	Oklahoma City
Gregory L. VanNess	Oklahoma City
Clayton Collier	Perkins
Adam D. Jarvis	Perry
Victoria James	Poteau
Jesse E. Brewer	Skiatook
Megan Pfeiffer-Wells	Stillwater
Karl W. Rindfleisch	Stillwater
Kyle C. Iverson	Tulsa
Shane Ingram	Yukon

c. Terminate Deferred Option Plan to Begin Service Pension:

<u>Name</u>	<u>City</u>	<u>Eff. Date</u>
Lewis W. Roller	Chickasha	08/01/2012
Michael K. Jenkins	Stillwater	07/01/2012
Terry A. Coleman	Woodward	08/01/2012

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>
Juan R. Jenkins	Broken Arrow	03/01/2010	07/01/2012
Richard D. Jones	Claremore	09/01/2008	08/01/2012
James M. Craig	Poteau	07/01/2007	07/01/2012
Roland E. Garrett	Oklahoma City	11/01/2008	08/01/2012

e. Application for Vested Benefit:

<u>Name</u>	<u>City</u>	<u>Eff. Date</u>
John C. Darden	Tulsa	07/06/2020

f. Death Benefit:

<u>Name</u>	<u>City</u>
V. Ruth Garrett, widow of Larry J. Garrett	Claremore
Lesa Ellis, widow of Terry L. Ellis	McAlester
Jan M. Strickler, widow of Gary P. Strickler	Stillwater

g. Continuation of Benefit:

<u>Name</u>	<u>City</u>
V. Ruth Garrett, widow of Larry J. Garrett	Claremore
Lesa Ellis, widow of Terry L. Ellis	McAlester
Jan M. Strickler, widow of Gary P. Strickler	Stillwater

h. Application for Service Pension:

<u>Name</u>	<u>City</u>	<u>Eff. Date</u>
Steven A. Adams	Pryor	08/01/2012
Chris Morse	Stillwater	09/01/2012

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

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STERLING C. MARKEL, PIEDMONT – REQUEST TO BUY BACK PRIOR SERVICE WHILE EMPLOYED WITH THE GUTHRIE POLICE DEPARTMENT FROM 7/14/1988 TO 4/12/1996. BOARD TO TAKE APPROPRIATE ACTION AS DEEMED NECESSARY.

Motion by W.B. Smith and second by Randy Scott to approve request to buy back prior service while employed with the Guthrie Police Department from 7/14/1988 to 4/12/1996. Ayes: Craig Akard, Tom Custer, Tony Davenport, Jim Keesee, Charles Kerr, Susan Knight, Andy McPherson, Ryan Perkins, Randy Scott, Rick Smith, W. B. Smith and Frank Stone. Absent: 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 June 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 MAY 31, 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 June 30, 2012, a copy of which is attached as Exhibit "E". As of June 30, 2012, the total Fund was approximately \$1,752,180.00. The one-year return net of fees for the total Fund is 5.18%.

Mr. Tarlas stated that the Wasatch piece of the portfolio was forthcoming, Emerging Markets were growing and doing well and that US Stocks were up 8%.

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ASSET CONSULTING GROUP – ANNUAL REVIEW OF WRITTEN GUIDELINES AND EXPECTATIONS OF THE FUND’S INVESTMENT MANAGERS. BOARD TO TAKE APPROPRIATE ACTION AS DEEMED NECESSARY.

Mr. Tarlas reviewed the *Statement of Investment Policy Objectives and Guidelines*, a copy of which is attached as Exhibit "F" and *Appendix A*, a copy of which is attached as Exhibit "G".

Motion by Tom Custer and second by Craig Akard to approve the written guidelines and expectations of the fund’s investment managers as presented. Ayes: Craig Akard, Tom Custer, Tony Davenport, Jim Keesee, Charles Kerr, Susan Knight, Brandy Manek, Andy McPherson, Ryan Perkins, Randy Scott, Rick Smith, W. B. Smith and Frank Stone. Motion Carried.

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CITY OF COMANCHE– RESOLUTION TO AFFILIATE AND JOIN THE OKLAHOMA POLICE PENSION AND RETIREMENT SYSTEM. BOARD TO TAKE APPROPRIATE ACTION AS DEEMED NECESSARY.

Motion by W.B. Smith and second by Tony Davenport to accept the Resolution to Affiliate and join the Oklahoma Police Pension and Retirement System. Ayes: Craig Akard, Tom Custer, Tony Davenport, Jim Keesee, Charles Kerr, Susan Knight, Brandy Manek, Andy McPherson, Ryan Perkins, Randy Scott, Rick Smith, W. B. Smith 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. Snyder advised the board that there would be no need for an Executive Session. He stated that we had received the contract from Chesapeake and expected to close on or before September 30, 2012.

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DISCUSSION ON WHETHER TO RETAIN BLOCK & LEVITON, LLP AS SECURITIES LITIGATION MONITORING FIRM. BOARD TO TAKE APPROPRIATE ACTION AS DEEMED NECESSARY.

Motion by W.B. Smith and second by Craig Akard to retain Block & Leviton, LLP as securities litigation monitoring firm. Ayes: Craig Akard, Tom Custer, Tony Davenport, Jim Keesee, Charles Kerr, Susan Knight, Brandy Manek, Andy McPherson, Ryan Perkins, Randy Scott, Rick Smith, W. B. Smith and Frank Stone. Motion Carried.

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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); 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 advised that a motion to dismiss had been filed in the Career Education Corporation case and we were waiting on a determination from the court. He also advised that we had filed for lead plaintiff in the Tempur-Pedic case and they would select the lead plaintiff at the end of August.

Judge Patton advised that the Jeffrey Taylor case was still making its way through the system.

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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

Mr. Snyder advised the board the OPFTEC is September 5-7, 2012 in Stillwater, and the IFEBP Annual Conference would be in San Diego, CA in November.

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DIRECTOR'S REPORT

Mr. Snyder reported that the rules had been signed by the Governor and were effective July 1, 2012. He stated that newsletters were being mailed today and that we had received our plaque for excellence in financial reporting from the GFOA.

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**MOUNT LUCAS MANAGEMENT CORPORATION – PERFORMANCE AND PRODUCT UPDATE.
BOARD TO TAKE APPROPRIATE ACTION AS DEEMED NECESSARY.**

Ray Ix provided a brief update on the performance of Mount Lucas Management and reviewed with the Board the handout attached as Exhibit "H."

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ELECTION OF CHAIRMAN OF THE BOARD PURSUANT TO 11 O.S. § 50-103.1(F).

Motion by W.B. Smith and second by Craig Akard to elect Tom Custer as Chairman. Ayes: Craig Akard, Tony Davenport, Jim Keese, Charles Kerr, Susan Knight, Brandy Manek, Andy McPherson, Ryan Perkins, Randy Scott, Rick Smith, and W. B. Smith. Abstain: Tom Custer. Absent: Frank Stone. Motion Carried.

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ELECTION OF VICE CHAIRMAN OF THE BOARD PURSUANT TO 11 O.S. § 50-103.1(F).

Motion by W.B. Smith and second by Craig Akard to elect Randy Scott as Vice Chairman. Ayes: Craig Akard, Tom Custer, Tony Davenport, Jim Keese, Charles Kerr, Susan Knight, Brandy Manek, Andy McPherson, Ryan Perkins, Rick Smith, and W. B. Smith. Abstain: Randy Scott. Absent: Frank Stone. Motion Carried.

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DISCUSSION OF POSSIBLE SOLUTIONS FOR WIRELESS BOARD ACCESS. BOARD TO TAKE APPROPRIATE ACTION AS DEEMED NECESSARY.

Mr. Snyder advised that Mr. Sarjoo Shah from the Office of State Finance had been in contact with him and he would have a completed proposal for the board meeting next month.

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The meeting was adjourned at approximately 11:36 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 ASSISTANT.