

**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 17, 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, July 17, 2013, 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, Rick Smith, W.B. Smith, and Frank Stone.

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

MEMBERS ABSENT: Brandy Manek

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Note Brandy Manek arrived at approximately 9:15 a.m.

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FINLEY & COOK, PLLC – CERTIFICATION OF SPECIAL ELECTION RESULTS FOR STATE BOARD DISTRICT 6. BOARD TO TAKE APPROPRIATE ACTION AS DEEMED NECESSARY.

A copy of the certification of election results submitted by Finley & Cook, PLLC, is attached as Exhibit "A." The letter from Finley & Cook stated that Jeffery Pierce was the only nomination petition received for the district; therefore, Mr. Pierce is the Board member for District 6.

Motion by W.B. Smith and second by Craig Akard to approve the Certification of Special Election Results for State Board District 6. Ayes: Craig Akard, Tom Custer, Tony Davenport, Jim Keesee, Charles Kerr, Susan Knight, Andy McPherson, Ryan Perkins, Rick Smith, W.B. Smith and Frank Stone. Absent: Brandy Manek. Motion Carried.

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INTRODUCTION OF JEFFERY PIERCE AS NEW BOARD MEMBER

Mr. Steven Snyder introduced Jeffery Pierce as the new board member for District 6. Mr. Pierce stated that he was a 25 year veteran of the Oklahoma City Police Department and the current CIT Commander.

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APPROVAL OF MINUTES OF BOARD MEETING HELD JUNE 19, 2013

Motion by Charles Kerr and second by Ryan Perkins to approve the Minutes of the Regular Board Meeting held June 19, 2013. Ayes: Craig Akard, Tom Custer, Tony Davenport, Jim Keesee, Charles Kerr, Andy McPherson, Ryan Perkins, Rick Smith, W.B. Smith, Frank Stone and Jeff Pierce. Abstain: Susan Knight. Absent: Brandy Manek. 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>
Elizabeth S. Vague	Choctaw
Michael C. Vaught	El Reno
Steven W. Nail	Hobart
Richard A. Staton	Kingfisher
Lindsay N. Livengood	Midwest City
Calen L. Parks	Midwest City
Carlton D. Reis-Herron	Midwest City
Kyle B. Skelton	Midwest City
Samuel T. White	Midwest City
Michael L. Cook	Muskogee
Tyler A. Evans	Muskogee
Brandon A. Gainer	Muskogee
Charles D. Jackson	Muskogee
Jay D. Brasket	Oklahoma City
Saul Z. Cimet	Oklahoma City
Matthew C. Cord	Oklahoma City
Matthew D. Evans	Oklahoma City
Rohit Y. Gautam	Oklahoma City
Joseph R. Gulikers	Oklahoma City
Clifford J. Holman	Oklahoma City
Erik B. Howell	Oklahoma City
Antwaun M. Hunter	Oklahoma City
Randon A. Lowe	Oklahoma City
Phillip W. DuBois	Owasso
David A. White	Pauls Valley
Richard K. Glasgow	Purcell
Kristen L. Weygand	Sayre
Whitney N. Pitmon	Sulphur
John N. King	Tahlequah
Joe Machetta	Ada
James K. Capps	Atoka
Casey D. Perry	Cushing
William R. Carpenter	Mustang
Brandon L. Rogers	Sapulpa

b. Application for Refund of Contributions:

<u>Name</u>	<u>City</u>
Devin K. Tebow	Blackwell
Timothy K. Badke	Elk City
Jade Terbush	Guthrie
Jonathan Riedlinger	Kingfisher
Stephen A. Mills	Norman
Steven T. Norton	Norman
Gabe A. Gowman	Oklahoma City
Steven S. Ray	Okmulgee
Wesley L. Layton	Perry
Joel Eisenhauer	Skiatook
Terry Bryan	Woodward
Jerry Kraft	Pauls Valley
Charles L. House	Sallisaw
Jonathon Cotner	Sand Springs

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>
George A. Guerrero	Oklahoma City	06/01/2013	08/01/2013
Jeff Rateliff	Oklahoma City	08/01/2008	08/01/2013
Nancy Rateliff	Oklahoma City	08/01/2008	08/01/2013
Randy E. Bell	Okmulgee	05/01/2009	07/01/2013
Phillip Wood	Ada	08/01/2012	08/01/2013
Scott S. Warren	Lawton	08/01/2008	08/01/2013
Stanley Olive	Oklahoma City	08/01/2008	08/01/2013
Peter O. Walker	Oklahoma City	08/01/2011	08/01/2013
Wesley M. Smith	Tulsa	10/01/2009	08/01/2013

d. Application for Service Pension:

<u>Name</u>	<u>City</u>	<u>Eff. Date</u>
Sean G. Waller	The Village	08/01/2013

e. Application for Vested Benefit:

<u>Name</u>	<u>City</u>	<u>Eff. Date</u>
Paul A. Tryon	Bixby	02/18/2016
Allen Dry	Eufaula	01/16/2023
Jeffrey D. January	Eufaula	04/11/2021
Kelly A. Dragus	Oklahoma City	12/28/2026
Timothy M. Goodwin	Okmulgee	09/15/2015

f. Death Benefit:

<u>Name</u>	<u>City</u>
Aracely Ortiz-Vazquez Davis, widow of Doyle Wayne Davis	Tulsa
Stephen D. Whittle, Personal Rep. of Therl J. Whittle	Tulsa
Marilyn A. Henderson, widow of	Oklahoma City

Larry W. Henderson
Alberta J. Marrow, widow of Glen H. Marrow Oklahoma City

g. Continuation of Benefit:

<u>Name</u>	<u>City</u>
Aracely Ortiz-Vazquez Davis, widow of Doyle Wayne Davis	Tulsa
Alberta J. Marrow, widow of Glen H. Marrow	Oklahoma City
Marilyn A. Henderson, widow of Larry W. Henderson	Oklahoma City

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

<u>Name</u>	<u>City</u>
Stephen D. Whittle, Personal Rep. of Therl J. Whittle	Tulsa
Linda M. Cook, Personal Rep. of Margaret Hunt	Elk City

i. Termination of Benefit:

<u>Name</u>	<u>City</u>
Margaret Hunt	Elk City
Therl J. Whittle	Tulsa

Motion by W.B. Smith 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, Rick Smith, W.B. Smith, Frank Stone and Jeff Pierce. Absent: Brandy Manek. Motion Carried.

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SHANNON JORDAN, STILLWATER – REQUEST TO BUY BACK PRIOR SERVICE WHILE EMPLOYED WITH THE ADA POLICE DEPARTMENT FROM 10/09/1988 TO 04/01/1992. BOARD TO TAKE APPROPRIATE ACTION AS DEEMED NECESSARY.

Motion by W.B. Smith and second by Tony Davenport for approval of request to buy back prior service while employed with the Ada Police Department from 10/09/1988 to 04/01/1992. Ayes: Craig Akard, Tom Custer, Tony Davenport, Jim Keesee, Charles Kerr, Susan Knight, Andy McPherson, Ryan Perkins, Rick Smith, W.B. Smith, Frank Stone and Jeff Pierce. 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 "B"; the Account #8557A, Fund Expenditures (receipts and disbursements), report for June 2013 is attached as Exhibit "C"; the Broker Commission Report is attached as Exhibit "D"; and the report for the Statement of Total Fund is attached as Exhibit "E."

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ASSET CONSULTING GROUP – FINANCIAL CONSULTANT REPORT FOR MONTH ENDED JUNE 30, 2013, AND DISCUSSION ON REBALANCING PORTFOLIO ASSETS AMONG VARIOUS ASSET STRATEGIES AND MANAGERS AND CERTIFICATION OF INVESTMENT FUND ANNUAL RATE OF RETURN THROUGH PERIOD ENDED JUNE 30, 2013; BOARD TO TAKE APPROPRIATE ACTION AS DEEMED NECESSARY.

Mr. Jason Pulos reviewed the ASAP report for the month ended June 30, 2013, a copy of which is attached as Exhibit “F”. As of June 30, 2013, the total Fund was approximately \$1,968,538,000.00. The one-year return net of fees for the total Fund is 12.34%.

Motion by Craig Akard and second by Ryan Perkins to approve the rate of return of 12.34% for Deferred Option Plan. Ayes: Craig Akard, Tom Custer, Tony Davenport, Jim Keesee, Charles Kerr, Susan Knight, Brandy Manek, Andy McPherson, Ryan Perkins, Rick Smith, W.B. Smith, Frank Stone and Jeff Pierce. Motion Carried.

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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. Jason Pulos reviewed the *Oklahoma Police Pension and Retirement Fund Statement of Investment Policy* including *Appendix A*, a copy of which and attached as Exhibit “G”.

Mr. Pulos stated that there had been no changes to the Investment Policy since last year.

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LITIGATION REPORT – PROPOSED EXECUTIVE SESSION, IF DEEMED NECESSARY BY LEGAL COUNSEL TO DISCUSS CASE NO. TBD, 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); 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

Motion by W.B. Smith and second by Charles Kerr to go into Executive Session (at approximately 9:26 am). Ayes: Craig Akard, Tom Custer, Tony Davenport, Jim Keesee, Charles Kerr, Susan Knight, Brandy Manek, Andy McPherson, Ryan Perkins, Rick Smith, W.B. Smith, Frank Stone and Jeff Pierce. Motion Carried.

Motion by W.B. Smith and second by Charles Kerr to go back into Open Session (at approximately 9:37 am). Ayes: Craig Akard, Tom Custer, Tony Davenport, Jim Keesee, Charles Kerr, Susan Knight, Brandy Manek, Andy McPherson, Ryan Perkins, Rick Smith, W.B. Smith, Frank Stone and Jeff Pierce. Motion Carried.

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NEW BUSINESS

No New Business

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BOARD MEMBERS' REPORTS

Mr. Ryan Perkins reported that he had conducted another *Pension 101* class for the Tulsa Police Department. Mr. Tom Custer reported that he is trying to set up a class to take place in Enid.

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

Mr. Snyder advised that OPFTEC was September 25-27, 2013 in Tulsa, IFEBP was in Las Vegas, NV in October and NCPERS would be in San Antonio next year.

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DIRECTOR'S REPORT

Mr. Snyder reported that the appraisal for Columbus Square had come in at \$3.75 million. He advised the rules had been signed by the Governor and were effective July 15, 2013. He stated the auditors would be in office August 12th – Sept 6th. He also stated the Interim Studies had been combined under study #13-012. He also stated a Senate Interim Study had been requested by Sen. Brinkley and approved. It is study #13-53.

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DISCUSSION ON WHETHER TO RETAIN ADDITIONAL SECURITIES LITIGATION MONITORING FIRM. BOARD TO TAKE APPROPRIATE ACTION AS DEEMED NECESSARY.

Mr. Snyder presented the board with a packet from Bernstein Liebhard LLP. He advised the board they were a securities litigation firm.

Motion by W.B. Smith and second by Jim Keesee to retain Bernstein Liebhard LLP as a securities litigation firm. Ayes: Craig Akard, Tom Custer, Tony Davenport, Jim Keesee, Charles Kerr, Susan Knight, Brandy Manek, Andy McPherson, Ryan Perkins, Rick Smith, W.B. Smith, Frank Stone and Jeff Pierce. Motion Carried

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

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The meeting was adjourned at approximately 10:05 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.