

**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
June 15, 2011

The regular meeting of the Oklahoma Police Pension and Retirement Board was called to order by Chairman W. B. Smith at approximately 9:00 a.m. on Wednesday, June 15, 2011, in the Board Room of the Oklahoma Police Pension and Retirement System.

MEMBERS PRESENT: Craig Akard, Jeff Cealka, Tom Custer, Tony Davenport, Charles Kerr, Andy McPherson, Randy Scott, Rick Smith, W. B. Smith, and Frank Stone.

OTHERS: Steven K. Snyder, Executive Director; Marla Hensley, Administrative Officer; Darcie Gordon, Administrative Assistant; Nan J. Patton, Legal Advisor; George Tarlas, Asset Consulting Group; Mina Baghvardani, Oklahoma Insurance Department.

MEMBERS ABSENT: Jim Keesee, Susan Knight, and Brandy Manek.

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Note Susan Knight arrived at approximately 9:10 am.

APPROVAL OF MINUTES OF BOARD MEETING HELD MAY 18, 2011.

Motion by Craig Akard and second by Charles Kerr to approve the Minutes of the Regular Board Meeting held May 18, 2011. Ayes: Craig Akard, Jeff Cealka, Tom Custer, Tony Davenport, Charles Kerr, Andy McPherson, Randy Scott, Rick Smith, W.B. Smith, and Frank Stone. Absent: Susan Knight, Jim Keesee, and Brandy Manek. Motion Carried.

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HEARING: CASE NO. 11-02, APPLICATION FOR DISABILITY BENEFIT NOT IN LIVE OF DUTY FOR DAVID ALMON, ARDMORE.

Mr. Snyder introduced the following documents into the record:

- Exhibit 1 – Notice of Hearing, dated May 27, 2011, to Mr. David Almon.
- Exhibit 2 – Application for Disability Benefit Not in Line of Duty, received by OPPRS on March 14, 2011.
- Exhibit 3 – Letter from the City of Ardmore, dated March 9, 2011.
- Exhibit 4 – Letter from Jeffrey A. Rother, MD, dated February 23, 2011.
- Exhibit 5 – Medical report from John A. Munneke, MD, dated May 16, 2011.

Mr. Almon was not represented by legal counsel. Chairman Smith asked Mr. Almon if he wished to testify in this matter and he replied affirmatively, after which Mr. Almon was sworn in by Chairman Smith.

Mr. Snyder asked Mr. Almon if he received copies of these documents, and he responded affirmatively. Mr. Almon inquired about a rating letter from Dr. Nees which was not included as an exhibit. It was decided that someone on the System staff would contact Dr. Nees' office to obtain a copy of this document. The matter was tabled to later in the 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>
Eric Grisham	Ardmore
Don L. McElhaney	Chandler
Dustin A. Fuller	Elk City
Lane M. Henry	Elk City
Kasey T. McClellan	Elk City
Timothy R. Gibson	El Reno
Daryl I. Blakley	Idabel
Derrick A. Taylor	Idabel
Fred A. Alberts, Jr.	Kingfisher
Jeffrey O. Poteet	Lindsay
John P. Ellis	Moore
Keith A. Ooten	Moore
Murl D. Phillips, III	Pauls Valley
Jonathon A. Reece	Pauls Valley
Tony S. Walker	Prague
Blaine M. Griffey	Sallisaw
Cory R. Kelley	Shawnee
David F. Adney	Stillwater
Carey R. Bailey	Stillwater
Elliot C. Blakey	Stillwater
Howard B. Moore	Stillwater
Trey M. Baker	Tecumseh
Michael J. Garcia	Tonkawa
Bryce Z. White	Weatherford
Austin C. Ellis	Weatherford

b. Application for Refund of Contributions

<u>Name</u>	<u>City</u>
Damon Stewart	Arapaho
Jimmie L. Roland, Jr.	Bristow
Jerred Eversole	Chandler
Michael C. Shaver	Claremore
Stephen W. Henry	Dewey
Jason Royer	Elk City
Virginia Crice	Enid
Jason Glenn	Enid
Thomas Kirkhart	Enid
Steve Miller	Enid
Whitten W. Kent	Idabel
Shannon R. Manning	Idabel
James G. Summitt	Newkirk

Danny J. Laird	Pawhuska
Daniel A. Lockwood	Perkins
Adrian Gascon, Jr.	Shawnee

- 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>
Timothy P. Tyner	Mustang	04/01/2007	06/01/2011
Leslie J. Arnold	Nichols Hills	12/01/2009	07/01/2011
Raymond V. Grimes	Oklahoma City	08/01/2006	08/01/2011
David J. Reed	Pryor	12/01/2010	07/01/2011
Roger L. Norris	Sapulpa	11/01/2010	06/01/2011
Michael T. Huff	Tulsa	06/01/2006	06/01/2011

- d. Application for Deferred Option Plan:

<u>Name</u>	<u>City</u>	<u>Eff. Date</u>
Lonnie D. Bemo	Muskogee	07/01/2011

- e. Terminate Deferred Option Plan to Begin Service Pension:

<u>Name</u>	<u>City</u>	<u>Eff. Date</u>
Ralph G. Appleton	Oklahoma City	08/01/2011
Charles T. Foley	Oklahoma City	07/01/2011
James E. Hale	Oklahoma City	08/01/2011
Becky A. Wolf	Oklahoma City	07/01/2011

- f. Application for Service Pension

<u>Name</u>	<u>City</u>	<u>Eff. Date</u>
Glenn W. Balch	Moore	07/01/2011
David T. Baxter	Oklahoma City	07/01/2011
Nancy M. Stout	Tulsa	07/01/2011

- g. Application for Monies Due the Estate from the System:

<u>Name</u>	<u>City</u>
Lon J. Under, Personal Rep of Georgia L. Jones	Tulsa

- h. Death Benefit:

<u>Name</u>	<u>City</u>
Doris F. Ferguson, widow of Joe E. Ferguson	Guymon

- i. Continuation of Benefit:

<u>Name</u>	<u>City</u>
Doris F. Ferguson, widow of Joe E. Ferguson	Guymon

- j. Termination of Benefit:

<u>Name</u>	<u>City</u>
Georgia L. Jones	Tulsa

Motion by Craig Akard and second by Charles Kerr for approval of applications for Police Deferred Option Plan, Participation, Service Pension, Refunds and Benefits. Ayes: Craig Akard, Jeff Cealka, Tom Custer, Tony Davenport, Charles Kerr, Susan Knight, Andy McPherson, Randy Scott, Rick Smith, W. B. Smith, and Frank Stone. Absent: Jim Keesee 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 May 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 MAY 31, 2011 AND DISCUSSION ON REBALANCING PORTFOLIO ASSETS AMONG VARIOUS ASSET STRATEGIES AND MANAGERS. BOARD TO TAKE APPROPRIATE ACTION AS DEEMED NECESSARY.

Mr. Tarlas briefly reviewed the ASAP report for the month ended May 31, 2011, a copy of which is attached as Exhibit "E." As of May 31, 2011, the total Fund was approximately \$1,820,872,000.00. The one-year return net of fees for the total Fund is 19.32%.

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ASSET CONSULTING GROUP – DISCUSSION AND POSSIBLE VOTE REGARDING ISSUING RFP'S FOR INTERNATIONAL GROWTH EQUITY, EMERGING MARKET EQUITY AND GLOBAL LONG/SHORT EQUITY MANAGERS. DISCUSSION AND POSSIBLE VOTE ON CONSTRUCTION OF GLOBAL LONG/SHORT EQUITY PORTFOLIO AND REDEMPTION/NOTIFICATION REQUIREMENTS. BOARD TO TAKE APPROPRIATE ACTION AS DEEMED NECESSARY.

Mr. Tarlas recommended that the System issue Requests for Proposal for Long/Short Equity, Emerging Markets, and International Growth.

Motion by Tony Davenport and second by Jeff Cealka to authorize Asset Consulting Group to issue Requests for Proposal for Long/Short Equity, Emerging Markets, and International Growth. Ayes: Craig Akard, Jeff Cealka, Tom Custer, Tony Davenport, Charles Kerr, Susan Knight, Andy McPherson, Randy Scott, Rick Smith, W. B. Smith, and Frank Stone. Absent: Jim Keesee and Brandy Manek. Motion carried.

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FINLEY & COOK, PLLC – CERTIFICATION OF ELECTION RESULTS FOR STATE BOARD DISTRICTS 3 AND 6. BOARD TO TAKE APPROPRIATE ACTION AS DEEMED NECESSARY.

Motion by Tony Davenport and second by Randy Scott to approve the certification of the election results by Finley and Cook for Districts 3 and 6. Ayes: Craig Akard, Jeff Cealka, Tom Custer, Tony Davenport, Charles Kerr, Susan Knight, Andy McPherson, Randy Scott, Rick Smith, W. B. Smith, and Frank Stone. Absent: Jim Keesee and Brandy Manek. Motion carried.

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DISCUSSION OF APPRAISAL AND SALE OF REAL ESTATE. PROPOSED EXECUTIVE SESSION TO DISCUSS AND DELIBERATE APPRAISAL AND OFFER TO PURCHASE REAL ESTATE PURSUANT TO 25 O.S. § 307(B)(3).

Motion by Craig Akard and second by Charles Kerr that the Board go into Executive Session as recommended by Judge Patton (at approximately 9:45 a.m.). Ayes: Craig Akard, Jeff Cealka, Tom Custer, Tony Davenport, Charles Kerr, Susan Knight, Andy McPherson, Randy Scott, Rick Smith, W. B. Smith, and Frank Stone. Absent: Jim Keesee and Brandy Manek. Motion Carried.

Motion by Tony Davenport and second by Jeff Cealka that the Board go back into Open Session (at approximately 10:12 a.m.). Ayes: Craig Akard, Jeff Cealka, Tom Custer, Tony Davenport, Charles Kerr, Susan Knight, Andy McPherson, Randy Scott, Rick Smith, W. B. Smith, and Frank Stone. Absent: Jim Keesee and Brandy Manek. Motion Carried.

Motion by Tony Davenport and second by Jeff Cealka to authorize the Executive Director to send a letter to Chesapeake Energy informing them that the Columbus Square Office Building is not for sale. Ayes: Craig Akard, Jeff Cealka, Tom Custer, Tony Davenport, Charles Kerr, Susan Knight, Andy McPherson, Randy Scott, Rick Smith, W. B. Smith, and Frank Stone. Absent: Jim Keesee and Brandy Manek. Motion Carried.

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HEARING: CASE NO. 11-02, APPLICATION FOR DISABILITY BENEFIT NOT IN LIVE OF DUTY FOR DAVID ALMON, ARDMORE. (continued from earlier in meeting)

Mr. Almon briefly described and discussed with the Board his physical state that has led to applying for disability benefit not in line of duty.

Judge Patton recommended that the Board go into Executive Session to discuss Case No. OPRB 11-2.

Motion by Tony Davenport and second by Jeff Cealka that the Board go into Executive Session as recommended by Judge Patton (at approximately 10:30 a.m.). Ayes: Craig Akard, Jeff Cealka, Tom Custer, Tony Davenport, Charles Kerr, Susan Knight, Andy McPherson, Randy Scott, Rick Smith, W. B. Smith, and Frank Stone. Absent: Jim Keesee and Brandy Manek. Motion Carried.

Motion by Craig Akard and second by Tony Davenport that the Board go back into Open Session (at approximately 10:35 a.m.). Ayes: Craig Akard, Jeff Cealka, Tom Custer, Tony Davenport, Charles Kerr, Susan Knight, Andy McPherson, Randy Scott, Rick Smith, W. B. Smith, and Frank Stone. Absent: Jim Keesee and Brandy Manek. Motion Carried.

Motion by Craig Akard and second by Tony Davenport to award Mr. Almon a disability benefit in line of duty based on an impairment of 35% to the whole person, which equates to 50% of the normal disability benefit. Ayes: Craig Akard, Jeff Cealka, Tom Custer, Tony Davenport, , Charles Kerr, Susan Knight, Andy McPherson, Randy Scott, Rick Smith, W. B. Smith, and Frank Stone. Absent: 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. Snyder informed the Board the Speaker of the House has authorized the “Select House Oversight Committee on Pensions” which will be looking at four interim studies regarding State Pension Systems:

Interim Study 2011H-40 – Pension Investment Management

Interim Study 2011H-41 – Plan Design Choices for State Retirement Systems

Interim Study 2011H-42 – Pension Funding Issues and Sustainability

Interim Study 2011H-43 – Best Practices of the Pension Plans

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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 pursuant to 25 O.S. § 307(B)(4).

Motion by Tony Davenport and second by Jeff Cealka that the Board go into Executive Session to discuss litigation matters as recommended by Judge Patton (at approximately 10:50 a.m.). Ayes: Craig Akard, Jeff Cealka, Tom Custer, Tony Davenport, Charles Kerr, Susan Knight, Andy McPherson, Randy Scott, Rick Smith, W. B. Smith and Frank Stone. Absent: Jim Keesee and Brandy Manek. Motion Carried.

Motion by Randy Scott and second by Tom Custer that the Board go back into Open Session (at approximately 11:00 a.m.). Ayes: Craig Akard, Jeff Cealka, Tom Custer, Tony Davenport, Charles Kerr, Susan Knight, Andy McPherson, Randy Scott, Rick Smith, W. B. Smith and Frank Stone. Absent: Jim Keesee and Brandy Manek. Motion Carried.

Motion by Jeff Cealka and second by Tom Custer to authorize Grant and Eisenhofer to proceed in litigation regarding Omnicare, Inc. Ayes: Craig Akard, Jeff Cealka, Tom Custer, Tony Davenport, Charles Kerr, Susan Knight, Andy McPherson, Randy Scott, Rick Smith, W. B. Smith and Frank Stone. Absent: Jim Keesee and Brandy Manek. Motion Carried.

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NEW BUSINESS

No new business was discussed.

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BOARD MEMBERS' REPORTS

Randy Scott informed the Board that the training/information session he put together for Oklahoma City Police Department went very well.

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

Oklahoma Public Fund Trustee Education Conference will be in Stillwater, September 28-30, 2011.

IFEBP conference will be in New Orleans, October 30-November 2, 2011.

Rick Smith reported that the NCPERS meeting held in May didn't cover the subject of the state of the pensions across the country. Tom Custer reported that NCPERS is researching to formulate a private/public type of pension system.

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DIRECTOR'S REPORT

Mr. Snyder reported that the elections for Chairman and Vice Chairman will be held at the next meeting.

Mt. Lucas will be making a presentation at the July meeting.

Finley and Cook has completed the audit of Pension Gold and will be submitting the results shortly.

The System's annual audit, conducted by Finley and Cook, will begin on August 15, 2011.

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At approximately 11:05 am, Chairman Smith adjourned the meeting.

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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 MARLA HENSLEY, ADMINISTRATIVE OFFICER.