

**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

**MARCH 21, 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, March 21, 2012, in the Board Room of the Oklahoma Police Pension and Retirement System.

MEMBERS PRESENT: Craig Akard, Jeff Cealka, Tom Custer, Jim Keesee, Charles Kerr, Brandy Manek, Randy Scott, Rick Smith, and W. B. Smith,

OTHERS: Steven K. Snyder, Executive Director; Darcie Gordon, Administrative Assistant; Deric Berousek, Chief Financial Officer, Nan J. Patton, Legal Advisor; and Joe Nugent, Asset Consulting Group

MEMBERS ABSENT: Tony Davenport, Andy McPherson, Frank Stone and Susan Knight

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\*\*\*Note\*\*\* Frank Stone arrived at approximately 9:02 a.m.

**APPROVAL OF MINUTES OF BOARD MEETING HELD FEBRUARY 15, 2012**

Motion by Craig Akard and second by Randy Scott to approve the Minutes of the Regular Board Meeting held February 15, 2012. Ayes: Craig Akard, Jeff Cealka, Tom Custer, Charles Kerr, Randy Scott, Rick Smith, and W. B. Smith. Abstain: Jim Keesee and Brandy Manek. Absent: Tony Davenport, Susan Knight, Andy McPherson and Frank Stone. 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>
Justin W. Johnson	Atoka
Chad K. Wilkerson	Atoka
Jonathan E. Almanza	Altus
James D. Graham	Bartlesville
Daniel E. Mains	Bartlesville
Troy J. Nicolas	Bartlesville
John B. Cook	Elk City
Leonard D. Stevens, II	Eufaula
Michael S. Cody	Mangum
Ginalynn F. Taylor	Marlow
Andrew A. Hanson	Miami
Davin M. Boyett	Oklahoma City

Kelly J. Cassidy	Oklahoma City
Clinton V. Caswell, II	Oklahoma City
Jordan L. Crump	Oklahoma City
Christopher D. Grisingher	Oklahoma City
Cory J. Haynes	Oklahoma City
Chase C. Ladd	Oklahoma City
Derek L. Lane	Oklahoma City
David C. Potts	Oklahoma City
Leah A. Roberts	Oklahoma City
Kaylen R. Washbourne	Oklahoma City
Adam G. Stafford	Okmulgee
Christopher C. Walker	Watonga
Kevin R. Heck	Ada
Kristina K. Jones	Alva
Aaron W. Pilgrim	Chickasha
Brandon L. Sparks	Chickasha
Benjamin M. Noble	Collinsville
Tina L. Manglona	Elk City
Randy L. Minyard	Lindsay
Nickolaus S. Wooten	Lindsay
Troyce D. Cooper	Mangum
David O. Comodeca	Oklahoma City
Christopher B. Malley	Oklahoma City
Daniel R. O'Neill	Oklahoma City
Mohammed Tabiai	Oklahoma City
Tyler D. Webb	Oklahoma City
Melissa W. Weigand	Oklahoma City

b. Application for Refund of Contributions

<u>Name</u>	<u>City</u>
Brandon Gerard	Atoka
Timothy Hammer	Enid
Billy L. Rose	Eufaula
Wesley Elliott	Harrah
Smokey Patchin	Henryetta
Isaac Purvis	Hominy
Barney M. Oden	Muskogee
Brian Hayden	Nicoma Park
Benjamin A. Dunn	Skiatook
Joel Eisenhauer	Skiatook
Keith Denton	Tonkawa
Derek Kennedy	Edmond
Matthew Harmon	Enid
Cody Kelley	Eufaula
Vivian L. Benson	Forest Park
Steven D. Marshall	Haskell
Edward A. Long	Krebs
Stephen D. Brashear	Mannford
William S. Goodwin, III	Newkirk
Andrew Kerr	Perry

James B. Rea

Woodward

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>
Douglas C. Brown	Oklahoma City	05/01/2007	05/01/2012
Randy A. Kirby, Sr.	Oklahoma City	04/01/2007	04/01/2012
Tommy B. Rutledge	Oklahoma City	10/01/2009	03/01/2012
Richard B. Crittenden	Pryor	04/01/2007	04/01/2012
Paul E. Bostick	Stillwater	03/01/2010	04/01/2012
Jeffrey R. Cealka	Tulsa	12/01/2008	04/01/2012
Stephen L. St. Clair	Tulsa	06/01/2007	06/01/2012
Richard F. Spanbauer	Oklahoma City	04/01/2007	04/01/2012
William R. Seale, II	Poteau	04/01/2011	04/01/2012
Jeff Felton	Tulsa	09/01/2010	04/01/2012
Roger Smith	Tulsa	04/01/2010	04/01/2012

d. Application for Deferred Option Plan:

<u>Name</u>	<u>City</u>	<u>Eff. Date</u>
Stephen L. Allen	Oklahoma City	04/01/2012

e. Terminate Deferred option Plan to Begin Service Pension

<u>Name</u>	<u>City</u>	<u>Eff. Date</u>
Jeffrey L. Jones	Oklahoma City	03/01/2012

f. Application for Service Pension:

<u>Name</u>	<u>City</u>	<u>Eff. Date</u>
Denise T. Silva	Bartlesville	03/01/2012
Debbie L. Erfurdt	Broken Arrow	04/01/2012
Jerry D. West	Lawton	05/01/2012
Lori M. Burks	Norman	04/01/2012
Terry Thompson	Warner	04/01/2012

g. Application for Vested Benefit:

<u>Name</u>	<u>City</u>	<u>Eff. Date</u>
Roland Benavides	Oklahoma City	01/30/2017

h. Death Benefit:

<u>Name</u>	<u>City</u>
Sandra L. Hanneman, widow of William J. Hanneman	Oklahoma City

i. Application for Monies Due the Estate from the System

<u>Name</u>	<u>City</u>
Glenn Houchin, Personal Rep. of Juanita Houchin	Ardmore

g. Continuation of Benefit

Name  
Sandra L. Hanneman, widow of  
William J. Hanneman

City  
Oklahoma City

h. Termination of Benefit

Name  
Juanita Houchin

City  
Ardmore

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, Jim Keesee, Charles Kerr, Brandy Manek, Randy Scott, Rick Smith, and W. B. Smith and Frank Stone. Absent: Tony Davenport, Susan Knight, and Andy McPherson Motion Carried.

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**CONTINUATION OF HEARING: CASE NO. OPRRB 10-02, APPLICATION FOR DISABILITY BENEFIT IN LINE OF DUTY FOR LAURA L. BOWMAN, NORMAN; BOARD TO TAKE APPROPRIATE ACTION AS DEEMED NECESSARY**

Mr. Snyder advised the board a request was received from Laura Bowman's legal counsel Mr. Moore to continue the case until the April Board meeting. However, due to the investment manager's presentations, it will need to be heard in May.

Motion by W.B. Smith and second by Randy Scott for legal counsel to continue the case to May Board Meeting. Ayes: Craig Akard, Jeff Cealka, Tom Custer, Jim Keesee, Charles Kerr, Brandy Manek, Randy Scott, Rick Smith, W. B. Smith, and Frank Stone. Absent: Tony Davenport, Susan Knight, and Andy McPherson. 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 February 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 FEBRUARY 29, 2012, AND DISCUSSION ON REBALANCING PORTFOLIO ASSETS AMONG VARIOUS ASSET STRATEGIES AND MANAGERS; BOARD TO TAKE APPROPRIATE ACTION AS DEEMED NECESSARY**

Mr. Nugent briefly reviewed the ASAP report for the month ended February 29, 2012, a copy of which is attached as Exhibit “E”. As of February 29, 2012, the total Fund was approximately \$1,788,888.00. The one-year return net of fees for the total Fund is 1.96%. He stated that there were no concerns with any managers’ performance.

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**ASSET CONSULTING GROUP – PRIVATE EQUITY PROGRAM REVIEW AND RECOMMENDATION ON NEW COMMITMENTS. BOARD TO TAKE APPROPRIATE ACTION AS DEEMED NECESSARY**

Mr. Nugent briefly reviewed the 2011 Private Equity Portfolio Review, a copy of which is attached at Exhibit “F”. Mr. Nugent advised that several existing managers are either currently fundraising or are expected to begin fundraising in the next 12 months and several new managers are being considered as well.

Motion by Frank Stone and second by Jeff Cealka to allocate \$7.5 million to Oaktree Opportunities Fund IX and \$7.5 million to Arsenal Capital Partners III. Ayes: Craig Akard, Jeff Cealka, Tom Custer, Jim Keesee, Charles Kerr, Brandy Manek, Randy Scott, Rick Smith, W. B. Smith, and Frank Stone. Absent: Tony Davenport, Susan Knight, and Andy McPherson. 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 reviewed with the board 6 bills that could potentially affect OPPRS or other retirement systems in the state.

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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 W.B. Smith and second by Randy Scott that the board go into Executive Session (at approximately 10:20 am). Ayes: Craig Akard, Jeff Cealka, Tom Custer, Jim Keesee, Charles Kerr, Brandy Manek, Randy Scott, Rick Smith, and W. B. Smith and Frank Stone. Absent: Tony Davenport, Susan Knight, Andy McPherson and Frank Stone. Motion Carried.

Motion by Craig Akard and second by Randy Scott that the board go back into Open Session (at approximately 10:35 am). Ayes: Craig Akard, Jeff Cealka, Tom Custer, Jim Keesee, Charles Kerr, Brandy Manek, Randy Scott, Rick Smith, and W. B. Smith. Absent: Tony

Davenport, Susan Knight, Andy McPherson and Frank Stone. Motion Carried.

Motion by Craig Akard and second by Jeff Cealka to terminate contract on 4700 Gaillardia Parkway. Ayes: Craig Akard, Jeff Cealka, Tom Custer, Jim Keesee, Charles Kerr, Brandy Manek, Randy Scott, Rick Smith, and W. B. Smith. Absent: Tony Davenport, Susan Knight, Andy McPherson and Frank Stone. Motion Carried.

Motion by Craig Akard and second by Jeff Cealka for the director to search for a replacement property. Ayes: Craig Akard, Jeff Cealka, Tom Custer, Jim Keesee, Charles Kerr, Brandy Manek, Randy Scott, Rick Smith, and W. B. Smith. Absent: Tony Davenport, Susan Knight, Andy McPherson and Frank Stone. Motion Carried.

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**CONSIDERATION AND VOTE ON WHETHER TO RENEW OR TERMINATE CONTRACTS FOR THE FOLLOWING PROFESSIONAL SERVICES:**

- a. **BNY Mellon Trust – Custodial Services**
- b. **Asset Consulting Group, Inc. – Investment Consulting Services**
- c. **Buck Consultants – Actuarial Services**
- d. **Finley & Cook, PLLC – Auditing Services**
- e. **Davis Graham & Stubbs LLP – Legal Services (Tax/Litigation)**
- f. **Wiggins Properties – Property Management Services**
- g. **Nan Patton – Legal Services**
- h. **GableGotwals – Legal Services**

Motion by Craig Akard and second by Tom Custer to renew the professional services contracts listed.. Ayes: Craig Akard, Jeff Cealka, Tom Custer, Jim Keesee, Charles Kerr, Brandy Manek, Randy Scott, Rick Smith, and W. B. Smith. Absent: Tony Davenport, Susan Knight, Andy McPherson and Frank Stone. Motion Carried.

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**CONSIDERATION AND VOTE ON WHETHER TO RENEW OR TERMINATE CONTRACTS FOR THE FOLLOWING INVESTMENT MANAGERS.**

**International Equity:**

- Actis, LLP
- Baring Investment Series, LLC.
- Mondrian Investment Partners
- Vontobel Asset Management, Inc.

**Domestic Equity:**

- Boston Partners Asset Management L. P.
- William Blair

**Long/Short Equity:**

- Grosvenor Long/Short Equity Fund, Ltd.
- Attalus Capital

**Index Fund:**

Mellon Capital Management

**Global Fixed Income:**

Agincourt Capital Management LLP  
Oaktree Capital Management LLC  
Loomis Sayles

**Low Volatility**

Pacific Alternative asset Management Company (PAAMCO)

**Real Assets:**

MLM Macro – Peak Partners L.P.  
J.P. Morgan Asset Management  
Siguler Guff

Motion by W.B. Smith and second by Tom Custer to renew the investment manager contracts listed.. Ayes: Craig Akard, Jeff Cealka, Tom Custer, Jim Keesee, Charles Kerr, Brandy Manek, Randy Scott, Rick Smith, and W. B. Smith. Absent: Tony Davenport, Susan Knight, Andy McPherson and Frank Stone. Motion Carried.

**LITIGATION REPORT – PROPOSED EXECUTIVE SESSION, IF DEEMED NECESSARY BY LEGAL COUNSEL TO DISCUSS CASE NO. 2:10-CV-01061-NBF-RCM, IN RE EDUCATION MANAGEMENT CORPORATION (UNITED STATES DISTRICT COURT, WESTERN DISTRICT OF PENNSYLVANIA); CASE NO. 2-11-CV-00173-DLB-CJS IN RE OMNICARE, 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 gave a brief overview of pending cases. Judge Patton also advised that the Jeffrey Taylor case was in review and could take a year or longer to resolve.

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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**

The board discussed upcoming NCPERS and IFEBP conferences.

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**DIRECTOR'S REPORT**

Mr. Snyder reported that the November Board meeting date was the same week as Thanksgiving and asked everyone to check their calendar to ensure we would have a quorum for that meeting.

The April Investment Managers dinner will be at the Downtown Petroleum Club

The elections for Districts 1 and 4 were complete as the incumbents drew no opponents.

The board should be getting ethics forms in the mail and those need to be returned in a timely manner.

The travel claims are going to be going to direct deposit and we need the Direct Deposit Authorizations forms filled out and returned.

The special elections to fill the seat left vacant by Jeff Cealka would began in April.

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The meeting was adjourned at approximately 10:50 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 DARCI GORDON, ADMINISTRATIVE ASSISTANT.