

**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 27, 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, March 27, 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, Andy McPherson, Ryan Perkins, Randy Scott, W.B. Smith, and Frank Stone.

OTHERS: Steven K. Snyder, Executive Director; Darcie Gordon, Administrative Officer; Sean Ruark, Pension Analyst; Deric Berousek, Chief Financial Officer; Kim Heaton, Attorney General's Office; George Tarlas, Asset Consulting Group; Julie Huskins, Travis Jennings, and Craig Williams.

MEMBERS ABSENT: Susan Knight, Brandy Manek, and Rick Smith

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\*\*\*Note\*\*\* Brandy Manek arrived at approximately 10:40 a.m.

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**HEARING - BOARD TO CONSIDER WRITTEN COMMENTS AND HEAR PUBLIC COMMENTS REGARDING PROPOSED AMENDMENTS TO THE FOLLOWING PERMANENT RULES:**

TITLE 550: OKLAHOMA POLICE PENSION AND RETIREMENT SYSTEM

CHAPTER 1. ADMINISTRATIVE OPERATIONS

550:1-7-5 Collections and Disbursements [AMENDED]

CHAPTER 15. OKLAHOMA POLICE DEFERRED OPTION PLAN

550:15-1-2 Forward Drop [AMENDED]

CHAPTER 15. OKLAHOMA POLICE DEFERRED OPTION PLAN

550:15-1-3 Back Drop [AMENDED]

CHAPTER 20. PURCHASE OF TRANSFERRED CREDITED SERVICE

550:20-1-2 Computation [AMENDED]

Mr. Snyder advised the Board that the system has not received any request to make public comments nor has the system received any written comments.

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**DISCUSS PROPOSED AMENDMENTS TO PERMANENT RULES LISTED IN AGENDA ITEM 2**

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**CONSIDERATION AND VOTE ON WHETHER TO ADOPT THE PROPOSED AMENDMENTS TO PERMANENT RULES LISTED IN AGENDA ITEM 2 AS PRESENTED OR AS MAY BE REVISED AFTER PUBLIC HEARING AND DISCUSSION**

A copy of the proposed amendments for Chapter 1: Administrative Operations, Chapter 15: Oklahoma Police Deferred Option Plan, and Chapter 20: Purchase of Transferred Credited Service is attached as Exhibit "A".

Motion by Craig Akard and second by W.B. Smith to adopt the proposed amendments to OAC 550, Chapter 1, 15, and 20. Ayes: Craig Akard, Tom Custer, Tony Davenport, Jim Keesee, Charles Kerr, Andy McPherson, Ryan Perkins, Randy Scott, W. B. Smith and Frank Stone. Absent: Susan Knight, Brandy Manek, and Rick Smith. Motion Carried.

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**HEARING: CASE NO. OPPRB 11-04, APPLICATION FOR DISABILITY BENEFIT IN LINE OF DUTY FOR JULIE HUSKINS, SHAWNEE**

Ms. Julie Huskins was in attendance at the hearing and was not represented by legal counsel.

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

- OPPRS Exhibit #1 – Notice of Hearing, dated March 13, 2013
- OPPRS Exhibit #2 – Application for Disability Benefit in Line of Duty, received May 18, 2011
- OPPRS Exhibit #3 – Letter from City of Shawnee, dated May 12, 2011
- OPPRS Exhibit #4 – Letter from Julie Huskins, dated May 17, 2011
- OPPRS Exhibit #5 – Report and Workers Comp. court order regarding on the job injury, dated February 2, 1997
- OPPRS Exhibit #6 – Report from Dr. Joseph C. McKenna, dated October 2, 2009
- OPPRS Exhibit #7 – Report from Dr. Steven D. Coupens, dated April 7, 2011
- OPPRS Exhibit #8 – Report from Dr. David Holland, dated May 16, 2011
- OPPRS Exhibit #9 – Report from Dr. John A. Munneke, dated August 16, 2011
- OPPRS Exhibit #10 – Notice of Hearing dated August 1, 2012
- OPPRS Exhibit #11 – Finding of Fact, Conclusion of Law, and Order dated September 21, 2011
- OPPRS Exhibit #12 – Medical Report from Dr. Lance Rosson, dated February 23, 2012
- OPPRS Exhibit #13 – Medical Report from Dr. John Munneke, dated March 8, 2012
- OPPRS Exhibit #14 – Supplemental Medical Report from Dr. John Munneke, dated April 24, 2012
  
- Applicant's Exhibit #1- Workers Comp. Order Awarding Permanent Partial Disability Benefits, date June 15, 2012
- Applicant's Exhibit #2 - Medical Report from Dr. John Munneke, dated September 13, 2012 - For Workers Comp. evaluation
- Applicant's Exhibit #3 – Workers Comp. Order Awarding Permanent Total Disability Benefits, dated December 18, 2012

Motion by Tony Davenport and second by Randy Scott to go into Executive Session (at approximately 9:10 am). Ayes: Craig Akard, Tom Custer, Tony Davenport, Jim Keesee, Charles Kerr, Andy McPherson, Ryan Perkins, Randy Scott, W. B. Smith and Frank Stone. Absent: Susan Knight, Brandy Manek, and Rick Smith. Motion Carried.

Motion by Craig Akard and second by Randy Scott to go back into Open Session (at approximately 9:35 am). Ayes: Craig Akard, Tom Custer, Tony Davenport, Jim Keesee, Charles Kerr, Andy McPherson, Ryan Perkins, Randy Scott, W. B. Smith and Frank Stone. Absent: Susan Knight, Brandy Manek, and Rick Smith. Motion Carried.

Motion by Craig Akard and second by Randy Scott to continue hearing until we can get a clarification letter from Dr. John Munneke. Ayes: Craig Akard, Tom Custer, Tony Davenport, Jim Keesee, Charles Kerr, Andy McPherson, Ryan Perkins, Randy Scott, W. B. Smith and Frank Stone. Absent: Susan Knight, Brandy Manek, and Rick Smith. Motion Carried.

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**APPROVAL OF MINUTES OF BOARD MEETING HELD FEBRUARY 20, 2013**

Motion by Randy Scott and second by Charles Kerr to approve the Minutes of the Regular Board Meeting held February 20, 2013. Ayes: Craig Akard, Tom Custer, Jim Keesee, Charles Kerr, Ryan Perkins, Randy Scott, W. B. Smith and Frank Stone. Abstain: Tony Davenport and Andy McPherson. Absent: Susan Knight, Brandy Manek, and Rick Smith. 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>
Billy J. Mitchell	Ardmore
John W. Arthur	Atoka
Brandon A. VanVleck	Bristow
Nathaniel P. Turman	Claremore
Clinton E. Stout	Cleveland
Lacey R. Keel	Coweta
Kyle A. Means	Davis
Suzannatte T. Weir	Duncan
William S. Maddex	Enid
Michael E. McNally	Newcastle
Doyle A. Baker	Prague
Stacy K. Howze	Sallisaw
Tyler A. Wilson	Sallisaw
Patrick Gandara	Woodward
Erasmus Gonzales	Altus
Crystal M. Hazlewood	Altus
Jared T. White	Pauls Valley
Douglas A. Cook	Wetumka

b. Application for Refund of Contributions:

<u>Name</u>	<u>City</u>
Carey Duniphin	Bartlesville
Daniel Braley	Blackwell
Dillon Mach	Clinton
Kevin Branscum	Eufaula

Robert W. Heath	Henryetta
Joseph E. Calistro	McAlerster
Demetrius Ward	Oklahoma City
Andy Jones	Ponca City
Craig Sharp	Sallisaw
Johnny L. Johnston	Elk City
Justin Hicks	Frederick
James Sticher	Hominy

c. Terminate Deferred Option Plan to Begin Service Pension:

<u>Name</u>	<u>City</u>	<u>Eff. Date</u>
Robert M. Stephens	Cleveland	04/01/2013

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>
Aaron L. Gray	Ada	10/01/2010	04/01/2013
Gregory L. Allen	Henryetta	03/01/2008	03/01/2013
George Mauldin, Jr.	Norman	09/01/2011	03/01/2013
Robert D. Raines	Oklahoma City	05/01/2012	03/01/2013
David L. Simpson	Oklahoma City	03/01/2008	03/01/2013
Kenneth McCoy	Tulsa	03/01/2008	03/01/2013
Daniel E. Siebert	Tulsa	04/01/2008	04/01/2013
Carole A. Newell	Broken Arrow	04/01/2009	04/01/2013
Richard L. Sellars	Norman	06/01/2009	06/01/2013
Bruce R. Smith	Oklahoma City	04/01/2008	04/01/2013
Terry Franklin	Sallisaw	02/01/2010	04/01/2013
Guy Palladino	Stillwater	04/01/2008	04/01/2013
Michael R. Avey	Tulsa	09/01/2012	04/01/2013

e. Application for Vested Benefit:

<u>Name</u>	<u>City</u>	<u>Eff. Date</u>
Doug W. Driver	Owasso	05/16/2013

f. Death Benefit:

<u>Name</u>	<u>City</u>
Shelbie B. Connally, widow of Charles E. Connally	Lawton
Beth A. McGovney, widow of Harold W. McGovney	Tulsa
Vickie J. Hughes, Personal Rep. of James C. Johnson	Miami
Donald T. Brunts, Personal Rep. of Norma S. Brunts	Oklahoma City
Andrew D. Phillips, Sr., Personal Rep. of Andrew D. Phillips, Jr.	Tulsa
Peggy Dyer, widow of Dixon L. Dyer, Jr.	Tulsa

g. Continuation of Benefit:

<u>Name</u>	<u>City</u>
Shelbie B. Connally, widow of Charles E. Connally	Lawton
Beth A. McGovney, widow of Harold W. McGovney	Tulsa
Peggy Dyer, widow of Dixon L. Dyer, Jr.	Tulsa

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

<u>Name</u>	<u>City</u>
Donald T. Brunts, Personal Rep. of Norma S. Brunts	Oklahoma City
Andrew D. Phillips, Sr., Personal Rep. of Andrew D. Phillips, Jr.	Tulsa

i. Termination of Benefit:

<u>Name</u>	<u>City</u>
James C. Johnson	Miami
Norma S. Brunts	Oklahoma City
Andrew D. Phillips, Jr.	Tulsa

Motion by Craig Akard and second by Tony Davenport 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 Keese, Charles Kerr, Andy McPherson, Ryan Perkins, Randy Scott, W. B. Smith and Frank Stone. Absent: Susan Knight, Brandy Manek, and Rick Smith. 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 February 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 FEBRUARY 28, 2013, AND DISCUSSION ON REBALANCING PORTFOLIO ASSETS AMONG VARIOUS ASSET STRATEGIES AND MANAGERS; BOARD TO TAKE APPROPRIATE ACTION AS DEEMED NECESSARY.**

Mr. George Tarlas reviewed the ASAP report for the month ended February 28, 2013, a copy of which is attached as Exhibit "F". As of February 28, 2013, the total Fund was approximately \$1,932,244.000.00. The one-year return net of fees for the total Fund is 9.51%.

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**ASSET CONSULTING GROUP – DISCUSSION AND POSSIBLE VOTE ON SELECTION OF HEDGE FUND(S) MANAGERS. BOARD TO TAKE APPROPRIATE ACTION AS DEEMED NECESSARY.**

Mr. George Tarlas reviewed “GLSEF Direct Portfolio (Class B) Action Plan”, a copy of which is attached as Exhibit “G”. Mr. Tarlas recommended OPPRS invest \$7.5 million with White Elm Capital Offshore, Ltd.

Motion by Tony Davenport and second by Ryan Perkins to invest \$7.5 million with White Elm Capital Offshore, Ltd. Ayes: Craig Akard, Tom Custer, Tony Davenport, Jim Keesee, Brandy Manek, Andy McPherson, Ryan Perkins, Randy Scott, W. B. Smith and Frank Stone. Absent: Susan Knight, Charles Kerr, and Rick Smith. Motion Carried.

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**DISCUSS TRUSTEE TO TRUSTEE TRANSFER OF SERVICE CREDIT FROM OPPRS TO OLERS AND POSSIBLE LITIGATION CLAIM. PROPOSED EXECUTIVE SESSION, TO DISCUSS TRUSTEE TO TRUSTEE TRANSFER OF SERVICE CREDIT FROM OPPRS TO OLERS AND POSSIBLE LITIGATION CLAIM PURSUANT TO 25 O.S. § 307(B)(4)**

Mr. Steven Snyder presented the board with language that was added into HB1324, a copy of which is attached as Exhibit “H”. HB1324 had already gone to the Pension Committee and passed out of committee earlier in the week. Mr. Snyder advised the language was prepared by Davis Graham and Stubbs in order to fix the situation with the 5 officers who had subsequently gone to work for state Law Enforcement Agencies, but had inadvertently been left in the OPPRS system rather than being transferred to OLERS.

Motion by W.B. Smith and second by Tony Davenport to ratify the actions of the Executive Director in regards to HB1324. Ayes: Craig Akard, Tom Custer, Tony Davenport, Jim Keesee, Charles Kerr, Brandy Manek, Andy McPherson, Ryan Perkins, Randy Scott, W. B. Smith and Frank Stone. Absent: Susan Knight and Rick Smith. Motion Carried.

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

- a. BYN 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
- i. Oklahoma Attorney General – Legal Services

Motion by W.B. Smith and second by Randy Scott to renew the professional service contracts listed(a-i). Ayes: Tom Custer, Tony Davenport, Jim Keesee, Randy Scott, W.B. Smith and Frank Stone. Nays: Craig Akard, Charles Kerr, Brandy Manek, Andy McPherson and Ryan Perkins. Absent: Susan Knight and Rick Smith. Motion Failed.

Motion by Andy McPherson and seconded by Charles Kerr to renew the professional service contracts listed(a-i), with exception of Item g. Ayes: Craig Akard, Tom Custer, Tony Davenport, Charles Kerr, Brandy Manek, Andy McPherson, and Ryan Perkins. Nays: Jim Keesee,

Randy Scott, W.B. Smith & Frank Stone. Absent: Susan Knight and Rick Smith. 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.
- Wasatch Advisors

**Domestic Equity:**

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

**Long/Short Equity:**

- Grosvenor Long/Short Equity Fund, Ltd.
- Grosvenor Class-B

**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
- TA Associates Realty X

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

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**LEGISLATIVE UPDATE**

Mr. Steven Snyder briefly updated the Board on the status of pension related bills. HB1324 is the only active bill and it has our technical and operational cleanup language in it. There are still two shell bills in which language could be placed.

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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); CASE NO.1:12-CS-12137.**

**IN RE ABIOMED, INC (UNITED STATES DISTRICT COURT, DISTRICT OF MASSACHUSETTS);  
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 stated that there had been no change with any of the cases.

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**NEW BUSINESS**

Mr. Andy McPherson referred to Item #12 and indicated that we would need to begin a search for a new attorney to represent us, in case the Attorney General's office was unable or felt it was a conflict of interest.

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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**

No Discussion of Seminars/Conferences

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**DIRECTOR'S REPORT**

Mr. Snyder reported that Mr. O'Conner from The Oklahoman had made an Open Records Request for the Executive Director, CIO, & CFO's salaries and benefits as well as travel expenses for the board and staff. Mr. Snyder advised they were directed to OMES for copies of actual copy receipts, but the rest of the information had been furnished to him. Mr. Snyder also noted that Mr. O'Conner had requested the same information from all the Pension Systems.

Mr. Snyder advised that CAPPP would be in Chicago, IL in June as well as the IFEBP Conference in November. NCPERS is May 18-23<sup>rd</sup> and the April meeting would include Investment Manager Presentations and dinner at Opus Prime Steakhouse.

Mr. Snyder also advised the all Nomination Petitions were due by close of business today.

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The meeting was recessed at approximately 11:05 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.