

**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**

May 19, 2010

The regular meeting of the Oklahoma Police Pension and Retirement Board was called to order by Chairman Craig Akard at approximately 9:00 a.m. on Wednesday, May 19, 2010, in the Board Room of the Oklahoma Police Pension and Retirement System.

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

NOTE: Susan Knight was not present for Roll Call but later joined the meeting at approximately 9:45 am.

OTHERS: Steven K. Snyder, Executive Director; Marla Hensley, Administrative Officer; Dusty Brassfield, Pension Administration Officer; Judy Cong, Comptroller; Nan J. Patton, Legal Advisor; and Jason Pulos, Asset Consulting Group.

MEMBERS ABSENT: Tony Davenport

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APPROVAL OF MINUTES OF BOARD MEETING HELD APRIL 21, 2010.

Motion by W. B. Smith and second by Charles Kerr to approve the Minutes of the Regular Board Meeting held April 21, 2010. Ayes: Craig Akard, Jeff Cealka, Tom Custer, Jim Keesee, Charles Kerr, Jim McGoodwin, Andy McPherson, Randy Scott, Rick Smith, W. B. Smith, and Frank Stone. Absent: Tony Davenport, Susan Knight. Motion Carried.

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HEARING: CASE NO. OPPRB 10-03 – ROSE M. HEATH, APPLICATION FOR DISABILITY BENEFIT NOT IN LINE OF DUTY

Ms. Heath was not in attendance at the hearing nor was any appearance by counsel made. 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 May 7, 2010 to Rose Heath.
- Exhibit 2 – Application for Disability Benefit Not In Line of Duty dated April 8, 2010.
- Exhibit 3 – Letter from the City of Oklahoma City, dated April 22, 2010, stating that the Oklahoma City Police Department has no sworn position for Ms. Heath.
- Exhibit 4 – Letter from Brent A. Beson, MD, dated March 18, 2009.

- Exhibit 5 – Report from Charles H. Morgan, MD, dated August 21, 2006.
- Exhibit 6 – Reports from Brent A. Beson, MD, dated from September 13, 2006 to April 6, 2010.
- Exhibit 7 – Report from Joseph Jankovic, MD, dated December 11, 2006.
- Exhibit 8 – Report from Doris J. Wise, PhD, dated October 21, 2008.
- Exhibit 9 – Report from John Munneke, MD, dated May 6, 2010.

Motion by W. B. Smith and second by Tom Custer to award Ms. Heath a disability benefit not in line of duty based on an impairment of 100% to the whole person, which equates to 100% of the accrued disability benefit. Ayes: Craig Akard, Jeff Cealka, Tom Custer, Jim Keesee, Charles Kerr, Jim McGoodwin, Andy McPherson, Randy Scott, Rick Smith, W. B. Smith, and Frank Stone. Absent: Tony Davenport and Susan Knight. 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>
John R. Parker	Ada
Joseph D. Barrett	Altus
Dustin W. Swallow	Alva
Andrew W. Fulmer	Bethany
Chester J. Marzek	Hugo
James D. Black	Idabel
Bradley A. Shouse	Jenks
Michael S. Cody	Mangum
Jared A. Grafton	Moore
Wesley A. Yost	Moore
Anthony J. Valentin, Jr.	Noble
Perry L. Rackley	Watonga

b. Application for Refund of Contributions:

<u>Name</u>	<u>City</u>
Steven W. Watkins	Ada
Wesley Choate	Ardmore
Bruce Oakley	Ardmore
Jason Hathcoat	Durant
Bob D. Turner	Elk City
Dustin Coleman	Fort Gibson
Scott A. Parsons	Idabel
Dana Lamb	Poteau
David Alsip	Shawnee
Scott Good	Tulsa
Craig Ritter	Tulsa
Michael O. Poe	Lindsay
Nicholas B. Mahoney	Tonkawa
Donald R. Childers, II	Tulsa
Tom McLain	Tulsa

c. Application for Deferred Option Plan:

<u>Name</u>	<u>City</u>	<u>Eff. Date</u>
Marshall S. Helsel	Oklahoma City	06/01/2010

d. Terminate Deferred Option Plan to Begin Service Pension:

<u>Name</u>	<u>City</u>	<u>Eff. Date</u>
Donald O. Dunsmore	Oklahoma City	05/01/2010
Ronnie C. Gravel	Oklahoma City	06/01/2010

e. 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>
Robert L. McGlothlin	Lawton	07/01/2005	07/01/2010
Danny K. Fitzwilliam	Oklahoma City	10/01/2006	05/01/2010
Richard E. Neaves	Oklahoma City	06/01/2005	06/01/2010
Kenneth R. Park	Oklahoma City	11/01/2008	05/01/2010
Larry K. Rhodes	Oklahoma City	06/01/2008	06/01/2010
Keith W. Simonds	Oklahoma City	10/01/2006	06/01/2010
Kelly G. Beach	OSBI	05/01/2008	06/01/2010
Steven G. Tiffie	Poteau	06/01/2005	06/01/2010
Barbara K. Cowan	Tulsa	05/01/2005	05/01/2010
Bartholomew J. Dean	Tulsa	06/01/2005	06/01/2010
Elizabeth R. Eagan*	Tulsa	06/01/2005	06/01/2010
David T. Edwards	Tulsa	06/01/2005	06/01/2010
Gary D. Fritts	Tulsa	06/01/2005	06/01/2010
Richard J. Koch	Tulsa	06/01/2005	06/01/2010
Jennifer Mansell	Tulsa	09/01/2005	06/01/2010
Ronald L. Moulton	Tulsa	06/01/2005	06/01/2010
Michael L. Nance	Tulsa	06/01/2005	06/01/2010
Dee W. Rosell	Tulsa	06/01/2005	06/01/2010
Gary L. Stansill	Tulsa	06/01/2005	06/01/2010
Larry J. Woods	Tulsa	02/01/2007	06/01/2010
Kimberly J. York	Tulsa	06/01/2005	06/01/2010
William B. York	Tulsa	06/01/2005	06/01/2010

f. Application for Service Pension:

<u>Name</u>	<u>City</u>	<u>Eff. Date</u>
Clifton Dacus	Mustang	06/01/2010

g. Application for Vested Benefit:

<u>Name</u>	<u>City</u>	<u>Eff. Date</u>
John A. Beech	Del City	03/05/2018
Jonathan B. Wellden	Midwest City	04/28/2021
Michael E. Thomason	Norman	09/11/2012

h. Death Benefit: \$5,000.00

<u>Name</u>	<u>City</u>
Nancy L. Ritter, widow of William R. Ritter	Duncan
Henry B. Faldo, widower of Ina M. Faldo	Oklahoma City
Sharon A. Williams, widow of Merl C. Williams	Tulsa

i. Continuation of Benefit:

<u>Name</u>	<u>City</u>
Nancy L. Ritter, widow of William R. Ritter	Duncan
Henry B. Faldo, widower of Ina M. Faldo	Oklahoma City
Sharon A. Williams, widow of Merl C. Williams	Tulsa

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

<u>Name</u>	<u>City</u>
Suzann Stewart, Surviving Heir of Raymon L. McElfresh	Tulsa

k. Termination of Benefit:

<u>Name</u>	<u>City</u>
Raymon L. McElfresh	Tulsa

*Elizabeth R. Eagan rescinded request for Application for Participation in the Oklahoma Police Deferred Option Plan Under the Back Drop Provision.

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

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MARK C. MCCAIN, NORMAN – REQUEST TO BUY BACK PRIOR SERVICE WHILE EMPLOYED WITH THE NORMAN POLICE DEPARTMENT FROM 07/05/1994 TO 07/07/2001. BOARD TO TAKE APPROPRIATE ACTION AS DEEMED NECESSARY.

Motion by W. B. Smith and second by Jeff Cealka to approve the request of Mark C. McCain, Norman, to buy back prior service while employed with the Norman Police Department from 07/05/1994 to 07/07/2001. Ayes: Craig Akard, Jeff Cealka, Tom Custer, Jim Keesee, Charles Kerr, Jim McGoodwin, Andy McPherson, Randy Scott, Rick Smith, W. B. Smith and Frank Stone. Absent: Tony Davenport and Susan Knight. Motion Carried.

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BILLY D. WAKEFIELD, SKIATOOK – REQUEST TO BUY BACK PRIOR SERVICE WHILE EMPLOYED WITH THE SKIATOOK POLICE DEPARTMENT FROM 01/25/1997 TO 06/24/2004. BOARD TO TAKE APPROPRIATE ACTION AS DEEMED NECESSARY.

Motion by W. B. Smith and second by Jim Keesee to approve the request of Billy D. Wakefield, to buy back prior service while employed with the Skiatook Police Department from 01/25/1997 to 06/24/2004. Ayes: Craig Akard, Jeff Cealka, Tom Custer, Jim

Keesee, Charles Kerr, Jim McGoodwin, Andy McPherson, Randy Scott, Rick Smith, W. B. Smith and Frank Stone. Absent: Tony Davenport and Susan Knight. 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 April 2010 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 APRIL, 2010, AND QUARTERLY REPORT FOR QUARTER ENDED MARCH 31, 2010 AND DISCUSSION ON REBALANCING PORTFOLIO ASSETS AMONG VARIOUS ASSET STRATEGIES AND MANAGERS. BOARD TO TAKE APPROPRIATE ACTION AS DEEMED NECESSARY.

Mr. Pulos reviewed with the ASAP report for the month ended April 30, 2010 (a copy of which is attached as Exhibit "E"), and the Quarterly Report for the quarter ended March 31, 2010 (a copy of which is attached as Exhibit "F").

As of April 30, 2010, the total Fund was approximately \$1,635,815,000.00. The one-year return net of fees for the total Fund is 17.49%.

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CINDY BIRLEY, DAVIS GRAHAM & STUBBS – DISCUSSION ON FBAR REPORTING.

Ms. Birley reviewed with the Board the IRS's requirement on FBAR (Foreign Bank Account Reporting). The IRS is in the process of determining if government pension funds fall under this requirement. Ms. Birley will continue the process of putting together the report, but is hoping that the Oklahoma Police Pension & Retirement System will be exempt.

Ms. Birley also reviewed the process of the determination letter to the IRS and the status of the submission.

(A copy of Ms. Birley's outline of her presentation is attached as Exhibit "G".)

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REVIEW BUDGET WORK PROGRAM FOR FISCAL YEAR BEGINNING JULY 1, 2010, AND ENDING JUNE 30, 2011. BOARD TO TAKE APPROPRIATE ACTION AS DEEMED NECESSARY.

Mr. Snyder reviewed with the Board the Budget Work Program for FY11. A copy of the proposed budget work program is attached as Exhibit "H".

Motion by W. B. Smith and second by Charles Kerr to approve the Budget Work Program for fiscal year beginning July 1, 2010
Ayes: Craig Akard, Jeff Cealka, Tom Custer, Jim Keesee, Charles Kerr, Susan Knight, Jim McGoodwin, Andy McPherson, Randy Scott, Rick Smith, W. B. Smith, and Frank Stone. Absent: Tony Davenport. 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 legislation introduced by the House of Representatives and the Senate which would impact the System (a copy of which is attached as Exhibit "I").

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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); 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 it would not be necessary for the Board to go into Executive Session on these matters. He then briefly updated the Board on the status of litigation impacting the Oklahoma Police Pension and Retirement System.

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NEW BUSINESS

Mr. Snyder read an email just received from member Rose M. Heath conveying her appreciation to the Board and staff for approving her disability.

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BOARD MEMBER’S REPORT

Randy Scott reported that Burla Roberts will be retiring from Oklahoma City on May 28, 2010. Ms. Roberts handles the benefits and pension for the Oklahoma City Police Department.

Jeff Cealka requested that the minutes for the Board meetings be posted on the OPPRS website. Mr. Snyder explained that it is possible; however, the minutes cannot be posted until the Board approves them at the next Board meeting.

Mr. Cealka also expressed his appreciation on behalf of his members in the Tulsa Police Department for all the hard work the staff has done, in particular Sean Ruark and Katie Luttrell, in processing Pension and Back DOP applications from Tulsa.

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

Randy Scott reported that the TEDS conference he attended in Las Vegas was very beneficial to him.

Chairman Akard reported that while in Las Vegas attending the NCPERS conference, he heard comments that the IRS is scrutinizing the public pension plans’ assumption rates. Ms. Birley

stated that she feels this is coming from the fact that many pension plans who do not keep their reporting up-to-date with the IRS. She doesn't feel it is something in which the Board should be concerned.

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DIRECTOR'S REPORT

Mr. Snyder reported that all the Statements of Financial Interest have been received by the Ethics Commission.

The Jeffrey Taylor hearing is scheduled for the June 16, 2010 Board meeting,

The Governor approved the rule changes submitted.

The Public Fund Trustee Conference will be held in Stillwater, September 22-24, 2010.

Mr. Stone reported that he had received a telephone call from an employee with Chesapeake inquiring if negotiations were taking place regarding the sale of the System's office building to Chesapeake. Mr. Snyder stated there are no negotiations taking place at this time and confirmed with the Board that the building is not for sale.

Mr. Snyder reported that new tenants will be moving into the building in July.

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At approximately 11:00 a.m. Chairman Akard announced that the meeting was recessed until 1:00 p.m.

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At approximately 1:00 p.m. Chairman Akard announced the meeting was back in order.

The representatives of the investment managers listed below made presentations to the Board which included a brief overview of the presenter and their firm, any relevant changes within their organization, their outlook on the financial marketplace, and how their portfolio is positioned to take advantage of that outlook, etc.:

PAAMCO
Jeffrey Willardson
Bill Knight

TCW
Tyrone Chang
Claudia Schloss

Warburg Pincus
John Shearburn

Boston Partners
David Gullen
Sandy Sinor

Loomis Sayles
Ken Johnson
Raffaello Distefano

A quorum of the Board did attend a reception/dinner, during which business of the System was not discussed. The reception/dinner was held at the Mickey Mantle's, 7 Mickey Mantle Drive, Oklahoma City, Oklahoma.

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.