

**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

**MAY 16, 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, May 16, 2012, in the Board Room of the Oklahoma Police Pension and Retirement System.

MEMBERS PRESENT: Tom Custer, Tony Davenport, Jim Keesee, Charles Kerr, Susan Knight, Andy McPherson, Randy Scott, Rick Smith, W. B. Smith and Frank Stone

OTHERS: Steven K. Snyder, Executive Director; Darcie Gordon, Administrative Assistant; Nan J. Patton, Legal Advisor; George Tarlas, Asset Consulting Group

MEMBERS ABSENT: Craig Akard and Brandy Manek

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\*\*\*Note\*\*\* Brandy Manek arrived at approximately 10:20 a.m.

**APPROVAL OF MINUTES OF BOARD MEETING HELD APRIL 18, 2012**

Motion by W.B. Smith and second by Jim Keesee to approve the Minutes of the Regular Board Meeting held April 18, 2012. Ayes: Tom Custer, Tony Davenport, Jim Keesee, Charles Kerr, Susan Knight, Andy McPherson, Randy Scott, Rick Smith, W. B. Smith and Frank Stone. Absent: Craig Akard and Brandy Manek. Motion Carried.

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**HEARING: CASE NO. OPPRB 11-07, APPLICATION FOR DISABILITY BENEFIT IN LINE OF DUTY FOR JEFF YARBROUGH, ELK CITY**

Mr. Snyder advised the board that a request was received from Jeff Yarbrough to continue the case until the July Board meeting.

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

Mr. Snyder advised the board that a request was received from Julie Huskins legal counsel Mr. Manning to continue the case until the August Board 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>
Ian M. Goodyear	Bartlesville
Stephen T. Lee	Bartlesville
Christopher W. Neal	Bartlesville
Wesley D. Galloway	Bristow
Clayton D. Hobbs	Chickasha
Richard R. Propst	Claremore
Christopher S. Ruiz	Clinton
Jacob D. Avery	Cushing
Phillips E. Hall	Forest Park
Paul J. Harmon	Forest Park
Jonathan L. Williams	Harrah
Jeffrey S. Moore	Jones
Travis L. Salkil	Miami
Aaron M. Domfort	Nicoma Park
Dustin D. Fulton	Oklahoma City
Elizabeth C. Herman	Oklahoma City
Duston A. Turner	Oklahoma City
William R. Scott	Okmulgee
Justin D. Hanson	Ponca City
Donald W. Laxson	Ponca City
Rock L. Minghetti	Ponca City
Warren A. Thompson, III	Ponca City
Bradley D. Cook	Poteau
Jared A. Girard	Poteau
Michael T. Hobbs	Seminole
Michael B. Mason	Seminole
Jonathan J. Eason	Woodward
Charles B. Phelps	Woodward
Brian J. Randolph	Woodward
David P. Storer	Choctaw
Andrew S. Barr	Del City
Fred L. Payne	Del City
Kyle E. Moore	Hobart
Leon Meeks, Jr.	Hugo
Zachary T. Andrews	Oklahoma City
Chris J. Brown	Oklahoma City
Jennifer R. Harper	Oklahoma City
Brandon D. Kirby	Oklahoma City
David Berrios	Woodward

b. Application for Refund of Contributions

<u>Name</u>	<u>City</u>
Justin Layton	Claremore
Ricky N. Shorter	Davis
John Grimes	Guymon
Nicholas B. Mahoney	Guymon
Brent Holmes	Nowata
Mike Stacy	Okmulgee
Adam Stafford	Okmulgee
Jeff Crooks	Woodward
Rebecca L. Wileman, widow of Larry A. Wileman	Collinsville
Mark L. Bazil	Newkirk

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>
Christina L. Frantz	Oklahoma City	10/01/2007	06/01/2012
Sharon A. Hogan	Bethany	02/01/2012	07/01/2012
Boyd M. Mize	Edmond	06/01/2007	06/01/2012
Jackie W. LaRoche	Lawton	06/01/2007	06/01/2012
Teresa M. Roberts-Holt	Norman	06/01/2007	06/01/2012
Stanley L. Campbell	Oklahoma City	07/01/2011	06/01/2012
Darin W. Cathey	Oklahoma City	06/01/2007	06/01/2012
Debra A. Gruver	Oklahoma City	10/01/2007	06/01/2012
Kimberly J. Luther	Oklahoma City	06/01/2009	06/01/2012
Thomas W. Parker	Oklahoma City	06/01/2007	06/01/2012
Gary S. Pistole	Oklahoma City	06/01/2007	06/01/2012
Bruce D. Ely	Tulsa	06/01/2007	06/01/2012
Jimmy D. Lambert	Tulsa	06/01/2007	06/01/2012
James W. Leach	Tulsa	06/01/2007	06/01/2012
Robert W. Shockey	Tulsa	05/01/2007	05/01/2012
Garry A. Szabo	Tulsa	06/01/2007	06/01/2012
William A. Yelton	Tulsa	06/01/2007	06/01/2012

d. Death Benefit:

<u>Name</u>	<u>City</u>
Joan McCrite, widow of James McCrite	Oklahoma City
Jennifer Moll, Personal Rep. of Donald G. Parish	Tulsa
Mary M. Magee, widow of Carroll W. Magee	Ardmore
Rebecca L. Wileman, widow of Larry A. Wileman	Collinsville
Joan B. Morton, widow of Wadie L. Morton	Muskogee
Loretta A. Brents, widow of Emmett L. Brents	The Village

- e. Application for Monies Due the Estate from the System
 

<u>Name</u>	<u>City</u>
Jennifer Moll, Personal Rep. of Donald G. Parish	Tulsa
Mary J. Gresham, Personal Rep. of Juanita M. Longacre	Bethany
Charles Alvarez, Personal Rep. of Betty J. Alvarez	Muskogee
  
- f. Continuation of Benefit
 

<u>Name</u>	<u>City</u>
Joan McCrite, widow of James McCrite	Oklahoma City
Mary M. Magee, widow of Carroll W. Magee	Ardmore
Joean B. Morton, widow of Wadie L. Morton	Muskogee
Loretta A. Brents, widow of Emmett L. Brents	The Village
  
- g. Termination of Benefit
 

<u>Name</u>	<u>City</u>
Donald G. Parish	Tulsa
Juanita M. Longacre	Bethany
Betty J. Alvarez	Muskogee
  
- h. Application for Deferred Option Plan:
 

<u>Name</u>	<u>City</u>	<u>Eff. Date</u>
James Hale	Cleveland	05/01/2012
  
- i. Application for Service Pension:
 

<u>Name</u>	<u>City</u>	<u>Eff. Date</u>
Scott Schatzer	Warr Acres	05/01/2012
  
- j. Application for Vested Benefit:
 

<u>Name</u>	<u>City</u>	<u>Eff. Date</u>
Helen H. McMullen	Chickasha	05/18/2016
Brian S. Robertson	Elk City	06/02/2012

Motion by W.B. Smith and second by Andy McPherson for approval of applications for Police Deferred Option Plan, Participation, Service Pension, Refunds and Benefits and the Addendum. Ayes: Tom Custer, Tony Davenport, Jim Keese, Charles Kerr, Susan Knight, Andy McPherson, Randy Scott, Rick Smith, W. B. Smith and Frank Stone. Absent: Craig Akard and Brandy Manek. Motion Carried.

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

Motion by W.B. Smith and second by Randy Scott to set OPPRB 10-02, Application for Disability Benefit In Line of Duty for Laura L. Bowman, Norman for July 18, 2012 and issue no further continuances for the case. Ayes: Tom Custer, Tony Davenport, Jim Keesee, Charles Kerr, Susan Knight, Andy McPherson, Randy Scott, Rick Smith, W. B. Smith and Frank Stone. Absent: Craig Akard 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 April 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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**REVIEW BUDGET WORK PROGRAM FOR FISCAL YEAR BEGINNING JULY 1, 2012, AND ENDING JUNE 30, 2013. BOARD TO TAKE APPROPRIATE ACTION AS DEEMED NECESSARY.**

Motion by Tony Davenport and second by W.B. Smith to approve the budget Work Program for Fiscal Year Beginning July 1, 2012. Ayes: Tom Custer, Tony Davenport, Jim Keesee, Charles Kerr, Susan Knight, Andy McPherson, Randy Scott, Rick Smith, W. B. Smith and Frank Stone. Absent: Craig Akard and Brandy Manek. Motion Carried.

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**ASSET CONSULTING GROUP – FINANCIAL CONSULTANT REPORT FOR MONTH ENDED APRIL 30, 2012, QUARTERLY REPORT FOR QUARTER ENDED MARCH 31, 2012, 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 April 30, 2012, a copy of which is attached as Exhibit "E". As of April 30, 2012, the total Fund was approximately \$1,806,804.00. The one-year return net of fees for the total Fund is 0.73%.

Mr. Tarlas briefly reviewed the Quarterly Report for the quarter ended March 31, 2012, a copy of which is attached as Exhibit "F". Mr. Tarlas stated that 1st quarter was very strong; it was the best in a long time. He said it was a highly diversified portfolio which will capture the upside of the market.

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**ASSET CONSULTING GROUP – UPDATE ON LONG/SHORT EQUITY MANAGER RFP; BOARD TO TAKE APPROPRIATE ACTION AS DEEMED NECESSARY**

Mr. Tarlas briefly reviewed the status of the Long/Short Equity Manager RFP. He advised that ACG had reviewed the 54 RFP's. The staff at ACG has had a lot of internal conversations, conversations with managers and conversations with Mr. Snyder regarding the best choice to replace Attalus.

Mr. Tarlas advised that instead of replacing Attalus with one manger, we replace them with several managers under the Grosvenor platform. It would be a more customized piece to supplement the current Grosvenor portfolio. He also advised that we should invite Grosvenor to come to one of the next board meetings and let them present what the portfolio would look like and answer any questions.

Motion by Tony Davenport and second by W.B. Smith to invite Grosvenor to one of the next meetings to present what the portfolio would look like and answer questions. Ayes: Tom Custer, Tony Davenport, Jim Keese, Charles Kerr, Susan Knight, Andy McPherson, Randy Scott, Rick Smith, W. B. Smith and Frank Stone. Absent: Craig Akard and Brandy Manek. Motion Carried.

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**CONSIDERATION AND VOTE TO TERMINATE THE RFP PROCESS FOR LONG/SHORT EQUITY MANAGER SEARCH. BOARD TO TAKE APPROPRIATE ACTION AS DEEMED NECESSARY.**

Motion by Tom Custer and second by Randy Scott to terminate the RFP process for Long/Short Equity manager search. Ayes: Tom Custer, Tony Davenport, Jim Keese, Charles Kerr, Susan Knight, Andy McPherson, Randy Scott, Rick Smith, W. B. Smith and Frank Stone. Absent: Craig Akard and Brandy Manek. Motion Carried.

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**CONSIDERATION AND VOTE TO REDEEM INVESTMENTS IN ATTALUS CAPITAL. BOARD TO TAKE APPROPRIATE ACTION AS DEEMED NECESSARY.**

Motion by Tom Custer and second by Randy Scott to redeem investments in Attalus Capital. Ayes: Tom Custer, Tony Davenport, Jim Keese, Charles Kerr, Susan Knight, Andy McPherson, Randy Scott, Rick Smith, W. B. Smith and Frank Stone. Absent: Craig Akard 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 stated that an Executive Session was not necessary. He stated the 1/1/1 had been stripped out of HB 2319. He spoke with Rep. McDaniel about the bill and Rep. McDaniel was concerned about it passing with the 1/1/1 in it. Also, Cindy Birley had some additional tax language after our bill had passed, so it has been inserted into SB1588 which is the firefighter's tax bill.

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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)**

Mr. Snyder stated that an Executive Session was not necessary. He stated the building language was the only language left in HB 2319, and we are just waiting the disposition of the bill.

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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. 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 stated that an Executive Session was not necessary. Omnicare is awaiting class certification and Career Education Corporation is waiting on the judge to set a date for briefs to be presented.

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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**

Mr. Snyder advised the board the OPFTEC was September 5-7, 2012 in Stillwater, IFEBP – CAPP would be held June 19-20, 2012 in Boston, MA and the IFEBP Annual Conference would be in San Diego, CA in November.

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**DIRECTOR’S REPORT**

Mr. Snyder reported that the 1/1/1 was taken out of HB 2319 and the building language had been added.

We had additional tax language, which was added into the firefighter’s tax bill, SB1588

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**APPLICATION FOR PARTICIPATION – SHELDON C. HERBERT, OKLAHOMA CITY -  
PROPOSED EXECUTIVE SESSION, TO DISCUSS AND DELIBERATE STATUS OF  
APPLICATION PURSUANT TO 25 O.S. § 307(B)(7) IN THAT DISCLOSURE WOULD VIOLATE  
CONFIDENTIALITY PROVISIONS OF FEDERAL LAW.**

Motion by W.B. Smith and second by Randy Scott that the Board go into Executive Session (at 10:45 a.m.). Ayes: Tom Custer, Tony Davenport, Jim Keesee, Charles Kerr, Susan Knight, Brandy Manek, Andy McPherson, Randy Scott, Rick Smith, W. B. Smith and Frank Stone. Absent: Craig Akard. Motion Carried.

Motion by Tony Davenport and second by Charles Kerr that the Board go back into Open Session (at 10:59 a.m.). Ayes: Tom Custer, Tony Davenport, Jim Keesee, Charles Kerr, Susan Knight, Brandy Manek, Andy McPherson, Randy Scott, Rick Smith, W. B. Smith and Frank Stone. Absent: Craig Akard. Motion Carried.

Motion by Tony Davenport and second by Jim Keesee to have staff/legal counsel draft a letter advising Mr. Herbert of discrepancies found on his application and notifying him of denial of participation until application is corrected. Ayes: Tom Custer, Tony Davenport, Jim Keesee, Charles Kerr, Susan Knight, Brandy Manek, Andy McPherson, Randy Scott, Rick Smith, W. B. Smith and Frank Stone. Absent: Craig Akard. Motion Carried.

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The meeting was adjourned at approximately 11:00am

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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.