

**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 15, 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, May 15, 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, Susan Knight, Brandy Manek, Andy McPherson, Ryan Perkins, Randy Scott, Rick Smith, and Frank Stone.

OTHERS: Steven K. Snyder, Executive Director; Darcie Gordon, Administrative Officer; Sean Ruark, Pension Analyst; Deric Berousek, Chief Financial Officer; Christina Hirschman, Executive Legal Assistant; Kim Heaton, Attorney General's Office; Jason Pulos, Asset Consulting Group; and Carolyn Marston.

MEMBERS ABSENT: W.B. Smith

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RECOGNITION OF DUSTY BRASSFIELD FOR HER SERVICE TO THE STATE OF OKLAHOMA AND THE OKLAHOMA POLICE PENSION AND RETIREMENT SYSTEM.

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RECOGNITION OF RANDY SCOTT FOR HIS SERVICE TO THE STATE OF OKLAHOMA AS A TRUSTEE OF THE OKLAHOMA POLICE PENSION AND RETIREMENT BOARD.

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APPROVAL OF MINUTES OF BOARD MEETING HELD APRIL 17, 2013

Motion by Charles Kerr and second by Tony Davenport to approve the Minutes of the Regular Board Meeting held April 17, 2013. Ayes: Craig Akard, Tom Custer, Tony Davenport, Jim Keesee, Charles Kerr, Susan Knight, Brandy Manek, Andy McPherson, Ryan Perkins, Rick Smith and Frank Stone. Abstain: Randy Scott. Absent: W.B. Smith. Motion Carried.

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CONTINUATION OF HEARING: CASE NO. OPPrB 13-02, IN THE MATTER OF DAVID P. PIERCE – MIDWEST CITY – HEARING TO DETERMINE BENEFICIARY AND/OR BENEFICIARIES TO WHOM PENSION BENEFITS ARE TO BE AWARDED

Ms. Carolyn Marston 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 document into the record:

- Applicant's Exhibit #36 – Application for Marriage License
- Applicant's Exhibit #37 – Agreed Decree of Divorce

Motion by Craig Akard and second by Randy Scott to go into Executive Session (at approximately 9:14 am). Ayes: Craig Akard, Tom Custer, Tony Davenport, Jim Keesee, Charles Kerr, Susan Knight, Brandy Manek, Andy McPherson, Ryan Perkins, Randy Scott, Rick Smith and Frank Stone. Absent: W.B. Smith. Motion Carried.

Motion by Tony Davenport and second by Rick Smith to go back into Open Session (at approximately 9:37 am). Ayes: Craig Akard, Tom Custer, Tony Davenport, Jim Keesee, Charles Kerr, Susan Knight, Brandy Manek, Andy McPherson, Ryan Perkins, Randy Scott, Rick Smith and Frank Stone. Absent: W.B. Smith. Motion Carried.

Motion by Rick Smith and second by Randy Scott to deny application for beneficiary's continuation of pension due to applicant failing to meet burden of proof. Ayes: Craig Akard, Tom Custer, Tony Davenport, Jim Keesee, Charles Kerr, Susan Knight, Brandy Manek, Andy McPherson, Ryan Perkins, Randy Scott, Rick Smith and Frank Stone. Absent: W.B. 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>
Anthony B. Fogle	Alva
Casey A. Fairchild	Checotah
Mark C. Smith	Cleveland
Michael T. Huckleby	Eufaula
Ian A. Naylor	Eufaula
Brian E. Frye	Henryetta
Tyler G. Wilson	Hominy
William E. Schlegel	Kingfisher
Benjamin J. Brauer	Clinton
Eric J. Vincent	Elk City
Charles D. Neill	Hominy
Joshua W. Durham	Nowata
Keith L. Trujillo	Owasso
Justin R. Garrison	Pawhuska
John H. Haning	Pawhuska
Eric L. Sofian	Pawhuska
Justin N. Botkin	The Village
Evan W. Adkins	Tuttle
Brodie L. Bolen	Weatherford
Kyle D. Brewer	Woodward

b. Application for Refund of Contributions:

<u>Name</u>	<u>City</u>
Autry G. Burrus, Personal Rep. Of Ashley S. Burrus	Anadarko
Travis Coyle	Blackwell

John R. Harvey	Blackwell
Clayburn Farrington	Hobart
Melinda P. Valentin	Midwest City
Tyler Bartlett	Oklahoma City
Amy E. Hanson	Oklahoma City
Joseph W. Bickford	Tulsa
Sterling Parks	Woodward
Price Connelly	Ardmore
Michael C. Shelburne	Midwest City

c. Application for Deferred Option Plan:

<u>Name</u>	<u>City</u>	<u>Eff. Date</u>
Harry M. Haefner	Sapulpa	08/01/2013

d. Terminate Deferred Option Plan to Begin Service Pension:

<u>Name</u>	<u>City</u>	<u>Eff. Date</u>
David Bailey	McAlester	06/01/2013
Bryan Farmer	Muskogee	05/01/2013
Thomas N. Owen	Oklahoma City	06/01/2013

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>
Nicola L. Smith	Edmond	07/01/2008	07/01/2013
Patrick C. Byrne	Oklahoma City	06/01/2008	06/01/2013
James D. Digby	Oklahoma City	05/01/2008	05/01/2013
Charles Epperly	Oklahoma City	06/01/2008	06/01/2013
Randy K. Scott	Oklahoma City	06/01/2008	06/01/2013
Teresa W. Sterling	Oklahoma City	06/01/2008	06/01/2013
Corbin J. Collins	Tulsa	03/01/2010	05/01/2013
Mark L. Sherwood	Tulsa	04/01/2009	04/01/2013
Alvin Chandler	Oklahoma City	06/01/2011	06/01/2013

f. Application for Service Pension:

<u>Name</u>	<u>City</u>	<u>Eff. Date</u>
Ryan D. McCaghren	Stillwater	05/01/2013
Clay Mahaney	Tahlequah	05/01/2013
Troy Fugate	Miami	07/01/2013

g. Death Benefit:

<u>Name</u>	<u>City</u>
Autry G. Burrus, Personal Rep. Of Ashley S. Burrus	Anadarko
Sheryl L. Pack, Personal Rep. of John C. Widener	Cushing
Paula A. Slover, widow of Jack E. Slover	Oklahoma City
Shirley L. Roberson, widow of Jimmy D. Roberson	Nicoma Park
Brenda E. Snethen, Personal Rep. of	Tulsa

Wayne O. Edmunds

h. Continuation of Benefit:

<u>Name</u>	<u>City</u>
Paula A. Slover, widow of Jack E. Slover	Oklahoma City
Shirley L. Roberson, widow of Jimmy D. Roberson	Nicoma Park

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

<u>Name</u>	<u>City</u>
Sheryl L. Pack, Personal Rep. of John C. Widener	Cushing

j. Termination of Benefit:

<u>Name</u>	<u>City</u>
John C. Widener	Cushing
Wayne O. Edmunds	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 and the Addendum. Ayes: Craig Akard, Tom Custer, Tony Davenport, Jim Keesee, Charles Kerr, Susan Knight, Brandy Manek, Andy McPherson, Ryan Perkins, Randy Scott, Rick Smith and Frank Stone. Absent: W.B. Smith. Motion Carried.

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KEVIN A. WOODS, ARDMORE – REQUEST TO BUY BACK PRIOR SERVICE WHILE EMPLOYED WITH THE ARDMORE POLICE DEPARTMENT FROM 04/24/1989 TO 05/02/1997. BOARD TO TAKE APPROPRIATE ACTION AS DEEMED NECESSARY.

Motion by Jim Keesee and second by Tony Davenport for approval of request to buy back prior service while employed with the Ardmore Police Department from 04/24/1989 to 05/02/1997. Ayes: Craig Akard, Tom Custer, Tony Davenport, Jim Keesee, Charles Kerr, Susan Knight, Brandy Manek, Andy McPherson, Ryan Perkins, Randy Scott, Rick Smith and Frank Stone. Absent: W.B. Smith. Motion Carried.

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KEITH COLASACCO, STILLWATER – REQUEST TO BUY BACK PRIOR SERVICE WHILE EMPLOYED WITH THE STILLWATER POLICE DEPARTMENT FROM 06/26/1981 TO 10/23/1985. BOARD TO TAKE APPROPRIATE ACTION AS DEEMED NECESSARY.

Motion by Randy Scott and second by Andy McPherson for approval of request to buy back prior service while employed with the Stillwater Police Department from 06/26/1981 to 10/23/1985. Ayes: Craig Akard, Tom Custer, Tony Davenport, Jim Keesee, Charles Kerr, Susan Knight, Brandy Manek, Andy McPherson, Ryan Perkins, Randy Scott, Rick Smith and Frank Stone. Absent: W.B. Smith. 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 2013 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 30, 2013, QUARTERLY REPORT FOR QUARTER ENDED MARCH 31, 2013, AND DISCUSSION ON REBALANCING PORTFOLIO ASSETS AMONG VARIOUS ASSET STRATEGIES AND MANAGERS; BOARD TO TAKE APPROPRIATE ACTION AS DEEMED NECESSARY.

Mr. Jason Pulos reviewed the ASAP report for the month ended April 30, 2013, a copy of which is attached as Exhibit "E". As of March 31, 2013, the total Fund was approximately \$1,985,326,000.00. The one-year return net of fees for the total Fund is 11.10%.

Mr. Pulos also reviewed the Quarterly Report for quarter ended March 31, 2013, a copy of which is attached as Exhibit "F"

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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. Jason Pulos reviewed the 2012 Private Equity Portfolio Review (May 15, 2013), a copy of which is attached as Exhibit "G". He stated it was just an bi-annual review and they had no recommendations at this time.

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

Mr. Jason Pulos reviewed the Real Asset Portfolio Review (May 15, 2013), a copy of which is attached as Exhibit "H".

Motion by Tony Davenport and second by Randy Scott to commit \$20 million to Cerberus Capital Management L.P. Ayes: Craig Akard, Tom Custer, Tony Davenport, Jim Keese, Charles Kerr, Susan Knight, Brandy Manek, Andy McPherson, Ryan Perkins, Randy Scott, Rick Smith and Frank Stone. Absent: W.B. Smith. Motion Carried.

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CONSIDERATION AND VOTE TO ESTABLISH A TIME FRAME FOR A SPECIAL ELECTION TO FILL THE STATE BOARD DISTRICT 6 POSITION WHICH BECOMES VACANT JUNE 1, 2013, DIFFERENT FROM THAT OF THE NORMAL NOMINATION/ELECTION PROCESS PURSUANT TO OAC 550:1-3-5. BOARD TO TAKE APPROPRIATE ACTION AS DEEMED NECESSARY.

Motion by Tony Davenport and second by Craig Akard to accept the proposed time frame for the Special Election. Ayes: Craig Akard, Tom Custer, Tony Davenport, Jim Keese, Charles Kerr, Susan Knight, Brandy Manek, Andy McPherson, Ryan Perkins, Randy Scott, Rick Smith and Frank Stone. Absent: W.B. Smith. Motion Carried.

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REVIEW BUDGET WORK PROGRAM FOR FISCAL YEAR BEGINNING JULY 1, 2013, AND ENDING JUNE 30, 2014. BOARD TO TAKE APPROPRIATE ACTION AS DEEMED NECESSARY.

Mr. Steven Snyder reviewed the Budget Work Program for Fiscal Year beginning July 1, 2013 – June 30, 2014, a copy of which is attached as Exhibit “I”.

Motion by Craig Akard and second by Charles Kerr to approve the Budget Work Program for Fiscal Year beginning July 1, 2013 and ending June 30, 2014. Ayes: Craig Akard, Tom Custer, Tony Davenport, Jim Keesee, Charles Kerr, Susan Knight, Brandy Manek, Andy McPherson, Ryan Perkins, Randy Scott, Rick Smith and Frank Stone. Absent: W.B. Smith. Motion Carried.

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LEGISLATIVE UPDATE

Mr. Steven Snyder briefly updated the Board on the status of pension related bills. HB1324 was signed by the Governor on May 13th. HB2078 relating to firefighters; increased the years of service to 22, increased contributions, and changed the DROP Plan. HB2077 was vetoed by the Governor, it would have given new hires the choice of an optional Defined Contribution plan through OPERS.

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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); 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 we was no change to the status of the cases. Career Education Corporation was moving forward in Chicago, it is currently in the discovery stage and Tempur-Pedic had filed a motion to have the case moved to San Francisco.

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NEW BUSINESS

No New Business

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BOARD MEMBERS' REPORTS

Mr. Ryan Perkins advised the board that Sean Ruark had come up and spoke at one of the Pension 101 classes being put on by Tulsa Police Department.

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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 the auditors would be coming in August. He also acknowledged Darcie Gordon for her recent graduation from UCO.

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The meeting was adjourned at approximately 11:03 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 DARCIE GORDON, ADMINISTRATIVE OFFICER.