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

November 23, 2010

The regular meeting of the Oklahoma Police Pension and Retirement Board was called to order by Chairman W. B. Smith at approximately 9:00 a.m. on Tuesday, November 23, 2010, in the Board Room of the Oklahoma Police Pension and Retirement System.

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

OTHERS: Steven K. Snyder, Executive Director; Marla Hensley, Administrative Officer; Darcie Gordon, Administrative Assistant; Dusty Brassfield, Pension Administration Officer; Judy Cong, Comptroller; Nan J. Patton, Legal Advisor; George Tarlas, Asset Consulting Group; James Patrick Hunt, attorney representing Henry Burl Cox.

MEMBERS ABSENT: Jim McGoodwin, Andy McPherson.

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APPROVAL OF MINUTES OF BOARD MEETING HELD OCTOBER 20, 2010.

Motion by Craig Akard and second by Rick Smith to approve the Minutes of the Regular Board Meeting held October 20, 2010. Ayes: Craig Akard, Jeff Cealka, Tony Davenport, Jim Keesee, Charles Kerr, Randy Scott, Rick Smith, W. B. Smith and Frank Stone. Abstain: Tom Custer and Susan Knight. Absent: Jim McGoodwin and Andy McPherson. Motion Carried.

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Note Mr. McPherson arrived at the meeting at approximately 9:05 am and Mr. McGoodwin arrived at approximately 9:10 am.

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HEARING – CASE NO. OPPRB 10-05 – JAMES ANDREW CAIN, OKLAHOMA CITY – HEARING TO DETERMINE BENEFICIARY AND/OR BENEFICIARIES TO WHOM PENSION BENEFITS ARE TO BE AWARDED.

Mr. Snyder noted that Ms. Heyzel Gonzalez-Avila de Cain (spouse of deceased member James Andrew Cain) had been advised of the hearing. Her attorney reported via email that she would not be attending.

Mr. Snyder introduced the following documents into evidence:

- Notice of Hearing to Ms. Heyzel Gonzalez-Avila de Cain, dated October 25, 2010.
- Email to Ms. Gonzalez-Avila de Cain and her attorney (Jose Juan Sanchez) asking for confirmation that Notice of Hearing was received.
- Email from Mr. Sanchez stating that neither he nor Ms. Gonzalez-Avila de Cain would be attending the hearing.
- Application for Beneficiary's Continuation of Pension and Death Benefit, dated May 24, 2010.
- Marriage Certificate for James Andrew Cain and Hazel Gonzalez-Avila, dated June 24, 1999.
- Death Certificate for James Andrew Cain, dated September 11, 1999.
- Tax appraisal document for property owned by James Andrew Cain in Costa Rica, dated March 16, 1994.
- Spanish version of above.
- Registry of Real Estate Property, dated May 26, 1994.
- Property Declaration, dated July 13, 2010.
- Appraisal Summary, dated July 13, 2010.
- Application for IRS Individual Taxpayer Identification Number, dated July 2, 1999.
- Affidavit of Heyzel Gonzalez Avila, dated April 28, 2010.
- Affidavit of Candida Avila Chinchilla, dated April 29, 2010.
- Affidavit of Rosa Maria Artavia Sanchez, dated April 30, 2010.
- Affidavit of Walter Anselmo Hernandez Perez, dated April 30, 2010.
- Affidavit of Luis Emilio Murillo Delgado, dated April 30, 2010.
- Affidavit of Manuel Quiros Loria, dated April 30, 2010.
- Affidavit of Ramon Delgado Lizano, dated April 30, 2010.
- Affidavit of Marvin Edgardo Sanchez Brenes, dated April 29, 2010.
- Affidavit of Junior Francisco Diaz Berrocal, dated April 29, 2010.
- Email from Heyzel (Hazel) Gonzalez, dated July 12, 2010.
- Letter from Jim D. Kuchta, dated July 11, 2010.
- Email testimonial from Steven L. Cain, dated July 14, 2010.
- Email from Heyzel (Hazel) Gonzalez, dated July 9, 2010.
- Emails from Heyzel (Hazel) Gonzalez and Gary McKinny, dated July 8, 2010.
- Note from Hazel Gonzalez Avila with copies of photo ID's of Heyzel Gonzalez Avila and Gary M. McKinny.

Legal Advisor, Nan Patton, recommended that the Board should go into Executive Session. pursuant to 25 O.S. Section 307(B)(8) for deliberations on this matter.

> Motion by Craig Akard and second by Jeff Cealka to go into Executive Session as recommended by the Board's Legal Advisor (at approximately 9:16 am). Ayes: Craig Akard, Jeff Cealka, Tom Custer, Tony Davenport, Jim Keesee, Charles Kerr, Susan Knight, Jim McGoodwin, Andy McPherson, Randy Scott, Rick Smith, W. B. Smith and Frank Stone. Motion Carried.
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> Motion by Jim McGoodwin and second by Tony Davenport to go back into Open Session (at approximately 9:47 am). Ayes: Craig Akard, Jeff Cealka, Tom Custer, Tony Davenport, Jim Keesee, Charles Kerr, Susan Knight, Jim McGoodwin, Andy McPherson, Randy Scott, Rick Smith, W. B. Smith and Frank Stone. Motion Carried.

Motion by Tony Davenport and second by Craig Akard to deny continuation of benefits in the matter concerning James Andrew Cain. Ayes: Craig Akard, Jeff Cealka, Tom Custer, Tony Davenport, Jim Keesee, Charles Kerr, Susan Knight, Jim McGoodwin, Andy McPherson, Randy Scott, Rick Smith, W. B. Smith and Frank Stone. Motion Carried.

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HEARING CASE NO. OPPRB 09-02, MUNICIPALITY APPLICATION FOR DISABILITY BENEFIT IN LINE OF DUTY FOR HENRY BURL COX, OWASSO.

Mr. Snyder stated that James Patrick Hunt, attorney representing Mr. Cox was present.

Mr. Snyder introduced the following documents into evidence:

- Exhibit 1 – Notice of Hearing, dated September 20, 2010.
- Exhibit 2 – Municipality Application for Disability Benefit in Line of Duty, dated April 9, 2009.
- Exhibit 3 – Letter from Owasso Chief of Police, Dan Yancey, dated March 9, 2009.
- Exhibit 4 – Findings of Fact and Conclusions of Law from Hearing No 09-02 (first part), held December 16, 2009.
- Exhibit 5 – Report from John A. Munneke, MD, dated September 16, 2010.
- Exhibit 6 – Report from Kenneth R. Trinidad, DO, dated March 4, 2009.

Legal Advisor, Nan Patton, recommended that the Board should go into Executive Session. pursuant to 25 O.S. Section 307(B)(8) for deliberations on this matter.

Motion by Craig Akard and second by Jeff Cealka to go into Executive Session as recommended by the Board's Legal Advisor (at approximately 9:55 am). Ayes: Craig Akard, Jeff Cealka, Tom Custer, Tony Davenport, Jim Keesee, Charles Kerr, Susan Knight, Jim McGoodwin, Andy McPherson, Randy Scott, Rick Smith, W. B. Smith and Frank Stone. Motion Carried.

Motion by Tony Davenport and second by Charles Kerr to go back into Open Session (at approximately 10:00 am). Ayes: Craig Akard, Jeff Cealka, Tom Custer, Tony Davenport, Jim Keesee, Charles Kerr, Susan Knight, Jim McGoodwin, Andy McPherson, Randy Scott, Rick Smith, W. B. Smith and Frank Stone. Motion Carried.

Motion by Jeff Cealka and second by Randy Scott to award Mr. Cox a disability benefit in line of duty based on an impairment of 41% to the whole person, which equates to 50% of the normal disability benefit. Ayes: Craig Akard, Jeff Cealka, Tom Custer, Tony Davenport, Jim Keesee, Charles Kerr, Susan Knight, Jim McGoodwin, Andy McPherson, Randy Scott, Rick Smith, W. B. Smith 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:

Name	City
Ethan P. McOsker	Alva
Stephen R. Campbell	Anadarko
Matthew E. Dunn	Ardmore
Philip R. Miller	Bartlesville
Tyrel J. Slagle	Bartlesville
Darold F. Ross	Blackwell
Lauren L. Mathews	Chickasha
Andrew Eubanks	Coweta
Travis R. David	El Reno
Rick A. Graumann	El Reno
Jimmie G. Smith	El Reno
Jason E. Glenn	Enid
Mark K. Swartzbaugh	Guthrie
Jason W. Powers	Hugo
Tyson D. Barnes	Miami
Justin K. Hale	Miami
Dustin R. Hoffer	Miami
David I. Gallagher	Newkirk
Gary S. Cook	Noble
Jason W. Mullett	Pauls Valley
Austin F.D. Bolding	Piedmont
Pamela J. Bell	Tahlequah
Chase J. Calhoun	Tulsa
Shawn R. Kite	Tulsa
Jeremy D. Lawson	Tulsa
Mark E. Ohnesorge	Tulsa
Ernie M. Thompson	Tulsa
Brandon M. Dudgeon	Weatherford
Alton Rayburn	Wewoka

b. Application for Refund of Contributions:

Name	City
Blake A. Cottrill	Alva
Christopher Lewis	Anadarko
Ty Runyan	Atoka
Douglas Hedges	Blackwell
Tony S. Walker	Chickasha
Paul E. Green	Dewey
Pat Robinson	Dewey
Strider F. Estep	Elk City
Trea B. Fulton	Elk City
William M. Pierce	El Reno
Amy L. Firestone	Enid
Richard A. Anthony	Guthrie
Scott Hill	Guymon
Daniel K. King	Madill
Garrett Friddle	Nowata
Andrew C. Dickmeyer	Tishomingo

Vanessa J. McFadden, Personal Rep/Surviving Heir of Kathy J. Harrel	Tulsa

c. Application for Participation in the Oklahoma Police Deferred Option Plan Under the Back Drop Provision:

Name	City	DOP Eff. Date	Service Pension Eff. Date
Ricky G. Barnett	Broken Arrow	10/01/2005	10/01/2010
Thomas B. Ford	Tulsa	12/01/2006	12/01/2010
Brenda J. McKinley	Tulsa	11/01/2005	11/01/2010

d. Application for Service Pension

Name	City	Eff. Date
David P. Ellis	Oklahoma City	11/01/2010

e. Terminate Deferred Option Plan to Begin Service Pension:

Name		City
Michael G. Meador	Lawton	01/01/2011
David E. Hodges	Oklahoma City	12/01/2010

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

Name	City
Justin Pottroff, Personal Rep/ Surviving Heir of Larry T. Pottroff	Bartlesville
Bonnie L Magers, Personal Rep/ Surviving Heir of Lucille L. Dawson	Blackwell

g. Death Benefit:

Name	City
Justin Pottroff, Personal Rep/ Surviving Heir of Larry T. Pottroff	Bartlesville
Betty J. Alvarez, widow of Manuel A. Alvarez	Muskogee
Marilyn K. Boren, widow of Richard D. Boren	Seminole
Vanessa J. McFadden, Personal Rep/ Surviving Heir of Kathy J. Harrel	Tulsa

h. Continuation of Benefit:

Name	City
Betty J. Alvarez, widow of Manuel A. Alvarez	Muskogee
Marilyn K. Boren, widow of Richard D. Boren	Seminole

i. Termination of Benefit:

Name	City
Larry T. Pottroff	Bartlesville
Lucille L. Dawson	Blackwell

Motion by Tony Davenport and second by Andy McPherson for approval of applications for Police Deferred Option Plan, Participation, Service Pension, Refunds and Benefits. Ayes: Craig Akard, Jeff Cealka, Tom Custer, Tony Davenport, Jim Keesee, Charles Kerr, Susan Knight, Jim McGoodwin, Andy McPherson, Randy Smith, Rick Smith, W. B. Smith and Frank Stone. Motion Carried.

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RANDY O'HANLON, ARDMORE – REQUEST TO RESCIND APPLICATION FOR VESTED BENEFITS APPROVED ON 04/15/2009 AND REQUEST FOR APPROVAL OF APPLICATION FOR PARTICIPATION. BOARD TO TAKE APPROPRIATE ACTION AS DEEMED NECESSARY.

Motion by Tony Davenport and second by Jim Keesee to approve request to rescind application for vested benefits approved on 04/15/2009 and request for approval of application for participation. Ayes: Craig Akard, Jeff Cealka, Tom Custer, Tony Davenport, Jim Keesee, Charles Kerr, Susan Knight, Jim McGoodwin, Andy McPherson, Randy Scott, Rick Smith, W. B. Smith, and Frank Stone. 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 October 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 OCTOBER 31, 2010; QUARTERLY REPORT FOR QUARTER ENDED SEPTEMBER 30, 2010; AND DISCUSSION ON REBALANCING PORTFOLIO ASSETS AMONG VARIOUS ASSET STRATEGIES AND MANAGERS. BOARD TO TAKE APPROPRIATE ACTION AS DEEMED NECESSARY.

Mr. George Tarlas briefly reviewed with the Board the Quarterly Report for the quarter ended September 30, 2010, a copy of which is attached as Exhibit "E." He also reviewed with the Board the ASAP for the month ended October 31, 2010, a copy of which is attached as Exhibit "F." As of October 31, 2010, the total Fund was approximately $1,687,348,000.00. The one-year return net of fees for the total Fund is 11.93%

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DISCUSSION OF POSSIBLE AMENDMENTS TO THE ADMINISTRATIVE RULES PROMULGATED BY THE OKLAHOMA POLICE PENSION AND RETIREMENT BOARD. AREAS TO BE DISCUSSED MAY INCLUDE, BUT ARE NOT LIMITED TO, THE FOLLOWING: CLARIFICATION OF NEW CITY MEMBERSHIP AND COMMON LAW MARRIAGE AS IT RELATES TO BENEFICIARY RIGHTS.

One rule change clarifies the effective date a new municipality joins the System. The city becomes a member city the first day of the following month after Board approval.

A new rule will be added which sets out the basis in which a common law spouse may receive beneficiary rights.

Language for these rule amendments will be approved in the next Board meeting.

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CONSIDERATION AND VOTE CONCERNING SETTING THE BOARD MEETING DATES FOR CALENDAR YEAR 2011.

Motion by Jim Keesee and second by Jim McGoodwin to approve the following dates for regular Board meetings during Calendar Year 2011: January 19, February 16, March 23, April 20, May 18, June 15, July 20, August 17, September 21, October 19, November 16, and December 21. Ayes: Craig Akard, Jeff Cealka, Tom Custer, Tony Davenport, Jim Keesee, Charles Kerr, Susan Knight, Jim McGoodwin, Andy McPherson, Randy Scott, Rick Smith, W. B. Smith, and Frank Stone. Motion Carried.

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TRUSTEE EDUCATION SESSION – PRESENTATION FOR INFORMATIONAL PURPOSES ONLY, REGARDING SYSTEM BENEFITS, STRUCTURE, AND FINANCIAL STATISTICS.

Mr. Snyder reviewed a handout entitled "*Report to Oklahoma Police Pension and Retirement Board (statistics as of June 30, 2010)*" a copy of which is attached as Exhibit "F." The handout contained information regarding statistical/historical information regarding contribution rates and amounts, state appropriations and insurance premium tax allocations, investment returns, cost of living adjustments, etc.

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Note Mr. Stone left the meeting at approximately 11:00 am.

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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); CASE NO. 2:10-CV-02013 OPPRS ET AL VS. BP, PLC (UNITED STATES DISTRICT COURT, EASTERN DISTRICT OF LOUISIANA; CASE NO. 2:10-CV-01061-NBF-RCM, IN RE EDUCATION MANAGEMENT CORPORATION (UNITED STATES DISTRICT COURT, WESTERN DISTRICT OF PENNSYLVANIA) 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

No new business was discussed.

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BOARD MEMBERS' REPORTS

No discussion.

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

Several board members attended the IFEBP Conference held November 14-17, 2010 and found it to be very beneficial.

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DIRECTOR'S REPORT

2010 Annual Reports will be mailed out in the next few days. It is currently posted on the OPPRS website.

The next publication of the OPPRS newsletter will be out in early December.

Mr. Snyder and Ms. Brassfield announced that the Web Member Services function is now available on the OPPRS website.

Mr. Snyder reported that the Oklahoma Pension Systems will be making presentations at a December 2, 2010 Interim Study regarding converting the state pension plans from defined benefit to a defined contribution.

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SHAWN R. KITE, TULSA – REQUEST TO BUY BACK PRIOR SERVICE WHILE EMPLOYED WITH THE TULSA POLICE DEPARTMENT FROM 07/01/2008 TO 01/31/2010. BOARD TO TAKE APPROPRIATE ACTION AS DEEMED NECESSARY.

Motion by Rick Smith and second by Tony Davenport to approve request to buy back prior service while employed with the Tulsa Police Department from 07/01/2008 to 01/31/2010. Ayes: Craig Akard, Jeff Cealka, Tom Custer, Tony Davenport, Jim Keesee, Charles Kerr, Susan Knight, Jim McGoodwin, Andy McPherson, Randy Scott, Rick Smith, and W. B. Smith Absent: Frank Stone. Motion Carried.

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LOUIS A. MORRIS, STILLWATER – REQUEST TO RESCIND APPLICATION FOR VESTED BENEFITS APPROVED ON 08/19/2009. REQUEST FOR APPROVAL OF APPLICATION FOR REFUND OF CONTRIBUTIONS. BOARD TO TAKE APPROPRIATE ACTION AS DEEMED NECESSARY.

Motion by Tony Davenport and second by Rick smith to approve request to rescind application for vested benefits approved on

08/19/2009 and approve request for approval of application for refund of contributions. Ayes: Craig Akard, Jeff Cealka, Tom Custer, Tony Davenport, Jim Keesee, Charles Kerr, Jim McGoodwin, Andy McPherson, Randy Scott, Rick Smith, and W. B. Smith. Absent: Frank Stone. Abstain: Susan Knight. Motion Carried.

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At approximately 11:35 am, Chairman Smith adjourned the meeting.

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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 MARLA HENSLEY, ADMINISTRATIVE OFFICER.