

**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 16, 2011

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, November 16, 2011, in the Board Room of the Oklahoma Police Pension and Retirement System.

MEMBERS PRESENT: Jeff Cealka, Tom Custer, Tony Davenport, Jim Keesee, Charles Kerr, Randy Scott, Rick Smith, and W. B. Smith.

OTHERS: Steven K. Snyder, Executive Director; Andrea Houston, Administrative Officer; Darcie Gordon, Administrative Assistant; Nan J. Patton, Legal Advisor; Cindy Vanover City of Miami; and Ashley VanDeburgh, City of Weatherford.

MEMBERS ABSENT: Craig Akard, Susan Knight, Brandy Manek, Andy McPherson and Frank Stone

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Note Susan Knight arrived at approximately 9:02 am, Craig Akard and Andy McPherson arrived at approximately 9:05 am. Brandy Manek arrived at approximately 9:15 am.

APPROVAL OF MINUTES OF BOARD MEETING HELD OCTOBER 19, 2011

Motion by Tony Davenport and second by Jeff Cealka to approve the Minutes of the Regular Board Meeting held October 19, 2011. Ayes: Jeff Cealka, Tom Custer, Tony Davenport, Jim Keesee, Charles Kerr, Randy Scott, Rick Smith and W. B. Smith. Absent: Craig Akard, Susan Knight, Brandy Manek, Andy McPherson and Frank Stone. Motion Carried.

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**APPROVAL OF CORRECTED MINUTES OF BOARD MEETING HELD
SEPTEMBER 21, 2011**

Mr. Snyder stated this is a one page document showing making presentations at the November board, presentations were made at the October board meeting.

Motion by Tony Davenport and second by Randy Scott to approve the corrected minutes of the Regular Board Meeting held September 21, 2011. Ayes: Jeff Cealka, Tom Custer, Tony Davenport, Jim Keesee, Charles Kerr, Susan Knight, Randy Scott, Rick Smith and W. B. Smith. Absent: Craig Akard, Brandy Manek, Andy McPherson and Frank Stone. Motion Carried.

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HEARING: CASE NO. OPPRB 10-02, APPLICATION FOR DISABILITY BENEFIT IN LINE OF DUTY FOR LAURA L. BOWMAN, NORMAN

Mr. Snyder received a call from Applicant's Attorney requesting a continuance until the December or January board meeting.

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HEARING: CASE NO. OPPRB 11-05, APPLICATION FOR DISABILITY BENEFIT IN LINE OF DUTY FOR DONALD R. MILLS, OKMULGEE

Mr. Snyder introduced the following documents into the record:

- Exhibit 1 Application for disability benefit in Line of duty dated June 7, 2011
- Exhibit 2 Incident report from Okmulgee Police Department dated May 16, 2009 (2 pages)
- Exhibit 3 Letter from Okmulgee Police Department dated March 8, 2011 stating there was no position for the applicant.
- Exhibit 4 Order from Oklahoma Workers Compensation Court dated May 26, 2011 (3 pages)
- Exhibit 5 Medical Report from Dr. Randall Hendericks dated June 29,2009 (2 pages)
- Exhibit 6 Medical Report from Dr. James Rodgers dated August 24, 2009 & October 1, 2009 (7 pages)
- Exhibit 7 Hospital Report from Tulsa Spine & Specialty Hospital dated June 30, 2010 (8 pages)
- Exhibit 8 Medical Report from Dr. James Cash dated September 20, 2010
- Exhibit 9 Medical Report from Dr. James Rodgers dated March 3, 2011 (2 pages)
- Exhibit 10 Medical Report from Dr. Kenneth Trinidad dated March 10, 2011 (8 pages)
- Exhibit 11 Medical Report from Dr. LeRoy Young dated April 20, 2011 (9 pages)
- Exhibit 12 Medical Report from Dr. John Munneke dated October 5, 2011 (5 pages)
- Exhibit 13 Notice of Hearing dated October 27, 2011

Mr. Mills was not represented by legal counsel. Mr. Snyder asked Mr. Mills if he received the documents and if he had any additional documents he wanted to introduce. Mr. Mills was sworn in by Chairman Kerr.

Mr. Mills briefly describe and discussed with the board the date and circumstances surrounding his injury and his medical condition today that has led to applying for disability benefit in line of duty.

Judge Patton recommended that the Board vote to approve the application of Mr. Mills for his disability benefits Case No. OPPRB 11-05 based on his injury and current status.

Motion by Tony Davenport and second by Jim Keesee to award Mr. Mills a disability benefit in line of duty based on an impairment of 72% to the whole person, which equates to 75% of the normal disability benefit. Ayes: Craig Akard, Jeff Cealka, Tom Custer, Tony Davenport, Jim Keesee, Charles Kerr, Susan Knight, Andy McPherson, Randy Scott, Rick Smith and W.B. Smith. Absent: Brandy Manek and Frank Stone. Motion Carried.

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HEARING: CASE NO. OPRB 11-06, APPLICATION FOR DISABILITY BENEFIT IN LINE OF DUTY FOR MICHAEL BRASHERS, MIAMI

Mr. Snyder introduced the following documents into the record:

- Exhibit 1 Municipality Application for disability in line of duty dated May 23, 2011
- Exhibit 2 Letter from City of Miami dated May 23, 2011 stating there is no position as a police officer with the city
- Exhibit 3 Incident Report from Miami Police Department dated April 13, 2010 (4 pages)
- Exhibit 4 Medical Report from Dr David Baker dated April 13, 2010 (4 pages)
- Exhibit 5 Medical Report from Dr Bryan J Hawkins dated February 7, 2011 (4 pages)
- Exhibit 6 Medical Report from Nichole Bateman, Physicians Assistant, dated May 3, 2011 (3 pages)
- Exhibit 7 Medical Report from Dr. John Munneke dated October 5, 2011 (4 pages)
- Exhibit 8 Notice of Hearing, dated October 27, 2011

Mr. Brashers was not present at the hearing and was not represented by legal counsel. A representative from the City of Miami, Cindy Vanover, was present. Ms. Vanover was sworn in by Chairman Kerr.

Ms. Vanover briefly described and discussed with the Board that Mr. Brashers has not contacted the city in answer to the question opposing the application and has no objection to the city's request. Mr. Brashers did receive notice of this hearing and chose not to come. The city filled out the municipality application for disability with Mr. Brashers on his behalf. Mr. Brashers is currently employed with the city in their IT Department working 40 hours a week.

Motion by W.B. Smith and second by Tony Davenport to award Mr. Brashers a disability benefit in line of duty based on an impairment of 51% to the whole person, which equates to 75% of the normal disability benefit. Ayes: Craig Akard, Jeff Cealka, Tom Custer, Tony Davenport, Jim Keesee, Charles Kerr, Susan Knight, Brandy Manek, Andy McPherson, Randy Scott, Rick Smith and W.B. Smith. Absent: Frank Stone. Motion Carried.

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HEARING: CASE NO. OPPRB 07-02, APPLICATION FOR DISABILITY BENEFIT IN LINE OF DUTY FOR JEFFREY S. TAYLOR, GLENPOOL

Judge Patton recommended that the Board go into Executive Session to discuss Case No.OPPRB 07-02.

Motion by Jeff Cealka and second by W.B. Smith that the Board go into Executive Session as recommended by Judge Patton (at approximately 9:20 a.m.). Ayes: Craig Akard, Jeff Cealka, Tom Custer, Tony Davenport, Jim Keesee, Charles Kerr, Susan Knight, Brandy Manek, Andy McPherson, Randy Scott, Rick Smith and W.B. Smith. Absent: Frank Stone. Motion Carried.

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

Motion by W.B. Smith and second by Tony Davenport to continue the Jeffrey Taylor case until December board meeting. Ayes: Craig Akard, Jeff Cealka, Tom Custer, Tony Davenport, Jim Keesee, Charles Kerr, Susan Knight, Brandy Manek, Andy McPherson, Randy Scott, Rick Smith, and W.B. Smith. Absent: Frank Stone. 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>
Robert C. Alsobrook	Ardmore
Bryan C. Irwin	Clinton
Wilson D. Garrison	Coweta
Lisa D. Cochran	Davis
Bradly J. Dunkle	Dewey
Charles J. Mark	Guymon
Michael D. Hood	Lindsay
Brandon L. Love	Midwest City
Jeremy J. Zuniga	Midwest City
Chad L. Holloway	Pawhuska
Joshua R. Melton	Weatherford
Joseph W. Glasco, III	Wewoka

b. Application for Refund of Contributions:

<u>Name</u>	<u>City</u>
Nichole Usko	Muskogee
Derrick W. Boyles	Nowata
Tony Vassar, II	Noble
Shawn Snelling	Sapulpa
Scott Dark	Tonkawa

c. Terminate Deferred Option Plan to Begin Service Pension:

<u>Name</u>	<u>City</u>	<u>Eff. Date</u>
Jerry H. Lucas	Moore	11/01/2011

d. Application for Service Pension:

<u>Name</u>	<u>City</u>	<u>Eff. Date</u>
Christopher R. Ramming	Oklahoma City	11/01/2011

e. Application for Vested Benefit:

<u>Name</u>	<u>City</u>	<u>Eff. Date</u>
Ashley A. Sokoloski	Tulsa	05/11/2028

f. Death Benefit:

<u>Name</u>	<u>City</u>
Trenton R. Turner, surviving child of James S. Turner, III	Edmond
Carolyn S. Graham, widow of John E. Graham	Oklahoma City
Debra G. Clark, widow of Thomas F. Clark	Sapulpa

g. Continuation of Benefit:

<u>Name</u>	<u>City</u>
Trenton R. Turner, surviving child of James S. Turner, III	Edmond
Carolyn S. Graham, widow of John E. Graham	Oklahoma City
Debra G. Clark, widow of Thomas F. Clark	Sapulpa

Motion by W.B. Smith and second by Tom Custer 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 Keese, Charles Kerr, Susan Knight, Brandy Manek, Andy McPherson, Randy Scott, Rick Smith and W. B. Smith. Absent: 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 2011 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, 2011 QUARTERLY REPORT FOR QUARTER ENDED SEPTEMBER 30, 2011, AND DISCUSSION ON REBALANCING PORTFOLIO ASSETS AMONT VARIOUS ASSET STRATEGIES AND MANAGERS. BOARD TO TAKE APPROPRIATE ACTION AS DEEMED NECESSARY.

Mr. Tarlas briefly reviewed the ASAP report for the month ended October 31, 2011, a copy of which is attached as Exhibit "E". As of October 31, 2011, the total Fund was approximately \$1,723,969,000.00. The one-year return net of fees for the total Fund is 4.27%. Mr. Tarlas briefly reviewed with the Board the Quarterly Report for the quarter ended September 30, 2011, a copy of which is attached as Exhibit "F."

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ASSET CONSULTING GROUP – DISCUSSION AND POSSIBLE VOTE REGARDING ISSUING RFP FOR COMMODITY MANAGERS. BOARD TO TAKE APPROPRIATE ACTION AS DEEMED NECESSARY.

Mr. Tarlas discussed with the Board issuing an RFP, which was previously approved by the Board, for the Long/Short Equity Managers in December and the Commodity Managers sometime after the first of the year.

Motion by Craig Akard and second by Tony Davenport to issue RFP for commodity managers. Ayes: Craig Akard, Jeff Cealka, Tom Custer, Tony Davenport, Jim Keese, Charles Kerr, Susan Knight, Brandy Manek, Andy McPherson, Randy Scott, Rick Smith and W. B. Smith. Absent: Frank Stone. Motion Carried.

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ASSET CONSULTING GROUP – DISCUSSION OF TIMELINE FOR HIRING LONG/SHORT AND COMMODITIES MANAGERS. BOARD TO TAKE APPROPRIATE ACTION AS NECESSARY.

Mr. Tarlas discussed with the Board completing the interview process for International Equity in December and sometime after the first of the year issue RFP for Commodities.

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DISCUSSION AND POSSIBLE VOTE ON TEMPORARY WAIVER OF INVESTMENT POLICY GUIDELINES FOR GROSVENOR CAPITAL MANAGEMENT. BOARD TO TAKE APPROPRIATE ACTION AS DEEMED NECESSARY.

Mr. Tarlas discussed with the board the request to allow a waiver of 40% limitation to 50% limitation for an interim period.

Motion by Tony Davenport and second by Tom Custer to allow temporary waiver of investment policy guidelines for Grosvenor Capital Management. Ayes: Craig Akard, Jeff Cealka, Tom Custer, Tony Davenport, Jim Keese, Charles Kerr, Susan Knight, Brandy Manek, Andy McPherson, Randy Scott, Rick Smith and W. B. Smith. Absent: Frank Stone. Motion Carried.

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DISCUSSION OF HOUSE PENSION OVERSIGHT COMMITTEE INTERIM STUDIES. BOARD TO TAKE APPROPRIATE ACTION AS DEEMED NECESSARY.

Mr. Snyder briefly informed the board of Rep. McDaniel's proposed legislation, a review of the systems past and current funding status before awarding new benefits, a guarantee of reliable funding; and actuarial analysis of every change to the pensions and concurrent funding for those changes.

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BOARD TO RATIFY EXECUTIVE DIRECTOR'S ACTIONS REGARDING AUTHORIZING SCOTT & SCOTT TO SEEK LEAD PLAINTIFF ON BEHALF OF OPPRS IN LITIGATION RELATED TO US BANK.

Mr. Snyder briefly informed the board that US Bancorp was sued over allegations that investors in mortgage bonds were hurt by the bank failing to ensure that securities were backed by loans. US Bancorp knew mortgage loans underlying the bonds weren't properly transferred to trusts and caused investors to suffer millions of dollars in losses.

Motion by W.B. Smith and second by Tom Custer to ratify Executive Director's actions regarding authorizing Scott & Scott to seek lead plaintiff on behalf of OPPRS in litigation related to US Bank. Ayes: Craig Akard, Jeff Cealka, Tom Custer, Tony Davenport, Jim Keese, Charles Kerr, Susan Knight, Brandy Manek, Andy McPherson, Randy Scott, Rick Smith and W. B. Smith. Absent: Frank Stone. Motion Carried.

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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: REFUNDS, PRIOR SERVICE CREDIT AND RECORDS OF HEARINGS.

Mr. Snyder stated the two (2) changes to the Administrative Rules will clarify the record of hearing to be a digital recording and the change to reemployment by participating municipality to a member who terminates employment with a participating municipality must submit an application for refund prior to reemployment with participating municipality in order to receive a refund of contributions.

Motion by W.B. Smith and second by Tom Custer that the amendments to the Administrative Rules be approved as drafted. Ayes: Craig Akard, Jeff Cealka, Tom Custer, Tony Davenport, Jim Keesee, Susan Knight, Brandy Manek, Andy McPherson, Randy Scott, Rick Smith and W. B. Smith. Absent: Frank Stone. Motion Carried.

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CONSIDERATION AND VOTE CONCERNING SETTING THE BOARD MEETING DATES FOR CALENDAR YEAR 2012.

Motion by Craig Akard and second by Tom Custer setting the Board meeting dates for calendar year 2012. Ayes: Craig Akard, Jeff Cealka, Tom Custer, Tony Davenport, Jim Keesee, Charles Kerr, Susan Knight, Brandy Manek, Andy McPherson, Randy Scott, Rick Smith and W. B. Smith. Absent: 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 briefly discussed the system benefits, structure and financial statistics of the system Report is attached as Exhibit “G “.

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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-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 informed the Board that American Home Mortgage has been paid out. BankUnited is still waiting for bankruptcy court to approve what was agreed to in terms of settlement

before payout. The Education Management case was dismissed by the Judge and is pending appeal.

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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.

Mr. Snyder discussed the upcoming IFEBP, NCPERS and TEDS conferences.

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DIRECTOR'S REPORT

Mr. Snyder discussed with the Board the buildings decorations. The next board meeting we will have the holiday breakfast in the lobby downstairs.

The Annual Report is now online and was mailed to those that requested a copy.

Mr. Snyder will keep the board informed regarding legislation.

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WILLIAM B. HINTNER, CHICKASHA – REQUEST TO AMEND PREVIOUSLY APPROVED APPLICATION FOR VESTED BENEFIT APPROVED 10/19/2011. BOARD TO TAKE APPROPRIATE ACTION AS DEEMED NECESSARY.

Motion by Tony Davenport and second by W.B. Smith to amend previously approved application for vested benefit approved 10/19/2011 for William B Hintner, Chickasha. Ayes: Craig Akard, Jeff Cealka, Tom Custer, Tony Davenport, Jim Keesee, Charles Kerr, Susan Knight, Brandy Manek, Andy McPherson, Randy Scott, Rick Smith and W. B. Smith. Absent: Frank Stone. Motion Carried.

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DISCUSSION AND VOTE TO AUTHORIZE PROPOSED LEGISLATION BY THE OKLAHOMA POLICE PENSION AND RETIREMENT SYSTEM RELATING TO IRS TECHNICAL CLEANUP OF STATUTORY LANGUAGE. BOARD TO TAKE APPROPRIATE ACTION AS DEEMED NECESSARY.

Motion by W.B. Smith and second by Tony Davenport to authorize proposed legislation by the Oklahoma Police Pension and Retirement System relating to IRS technical cleanup of statutory language. Ayes: Craig Akard, Jeff Cealka, Tom Custer, Tony Davenport, Jim Keesee, Charles Kerr, Susan Knight, Brandy Manek, Andy McPherson, Randy Scott, Rick Smith and W. B. Smith. Absent: Frank Stone. Motion Carried.

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DISCUSS AND VOTE TO AUTHORIZE THE OKLAOMA POLICE PENSION & RETIREMENT SYSTEM TO INITIATE LEGAL ACTION AND SEEK LEAD PLAINTIFF STATUS AGAINST CAREER EDUCATION CORPORATION UTILIZING GRANT & EISENHOFER. BOARD TO TAKE APPROPRIATE ACTION AS DEEMED NECESSARY.

Mr. Snyder briefly discussed with the board securities fraud claims that may be asserted against Career Education Corporation (CECO), the claim is related to fraudulent determination and reporting of job placement rates that is needed for accreditation by the Accrediting Counsel for Independent Colleges and Schools. Without the accreditation students are not eligible for federal financial aid.

Motion by Craig Akard and second by Randy Scott to authorize the Oklahoma Police Pension & Retirement System to initiate legal action and seek lead plaintiff status against Career Education Corporation utilizing Grant & Eisenhofer. Ayes: Craig Akard, Jeff Cealka, Tom Custer, Tony Davenport, Jim Keesee, Charles Kerr, Susan Knight, Brandy Manek, Andy McPherson, Randy Scott, Rick Smith and W. B. Smith. Absent: Frank Stone. Motion Carried.

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The meeting was adjourned at approximately 11:45 p.m.

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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 ANDREA HOUSTON, ADMINISTRATIVE OFFICER.