

**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  
October 19, 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, October 19, 2011, 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, Andy McPherson, Randy Scott, W. B. Smith, and Frank Stone.

OTHERS: Steven K. Snyder, Executive Director; Marla Hensley, Administrative Officer; Darcie Gordon, Administrative Assistant; Andrea Houston, Pension Analyst; Nan J. Patton, Legal Advisor; George Tarlas and Lori Mills, Asset Consulting Group; Mina Munoz, Oklahoma Insurance Department; and Ashley VanDeburgh, City of Weatherford.

MEMBERS ABSENT: Brandy Manek and Rick Smith

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\*\*\*Note\*\*\* Brandy Manek arrived at approximately 9:30 am. W.B. Smith, Randy Scott and Brandy Manek left at approximately 2:20 pm.

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

Motion by Tony Davenport and second by Craig Akard to approve the Minutes of the Regular Board Meeting held September 21, 2011. Ayes: Craig Akard, Jeff Cealka, Tom Custer, Tony Davenport, Jim Keesee, Charles Kerr, Susan Knight, Andy McPherson, Randy Scott, W. B. Smith, and Frank Stone. Absent: Brandy Manek and Rick 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>
Stuart J. Hofmann	Ardmore
Jacob L. Welch	Ardmore
Ericka M. Kinney	Bartlesville
Travis c. Martinez	Bartlesville
Robert J. Zigmont II	Bixby
Jamie J. Canfield	Bristow
Fray W. Williams	Bristow
Donny D. Warlick	Fort Gibson
Jose P. Hernandez	Hinton
William S. Goodwin, III	Newkirk
Ella L. Hall	Nichols Hills

Joshua F. Leshar	Noble
Christopher A. Allison	Norman
Brandon S. Burris	Norman
Christi N. Copeland	Norman
Paul D. Evans	Norman
Michael S. Lauderback	Norman
Daniel G. Lawton	Norman
James K. Merrick	Norman
Stephen A. Mills	Norman
Forrest Q. Perry, III	Norman
Chad P. Radgowski	Norman
James G. Runner	Norman
Tara D. Taylor	Norman
Dustin T. Underhill	Norman
Melissa W. Weigand	Norman
Joshua A. Goins	Owasso
Justin L. Near	Owasso
Donald E. Pruecks	Piedmont
Jason L. Ivers	Ponca City
Chansey L. McMillin	Seminole
Russell T. Beesley	Tecumseh
Robert A. Bryan	Tulsa
Donald R. Browning	Watonga
Wesley T. Johnston	Watonga

b. Application for Refund of Contributions

<u>Name</u>	<u>City</u>
Zachary Livingston	Coweta
Matthew Brittain	Enid
Jerry V. Gatlin	Lawton
Ryan C. Disney	Newkirk
Derek A. Lamb	Norman
Craig Billings	Sulphur
Theodore D. Woodhead	Tishomingo
Andrew Z. Zamudio	Tonkawa
Michael T. Galloway	Watonga
Gregory Pelley	Weleetka

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>
Marcus P. Fultz	Broken Arrow	10/01/2006	10/01/2011
Danny L. Fletcher	Duncan	11/01/2006	11/01/2011
Jennifer J. Aleman	Oklahoma City	10/01/2006	10/01/2011
Richard A. Eberle	Tulsa	09/01/2010	10/01/2011
James E. Whiteshirt	Tulsa	11/01/2006	11/01/2011
David D. Witt	Tulsa	11/01/2006	11/01/2011

d. Application for Deferred Option Plan:

<u>Name</u>	<u>City</u>	<u>Eff. Date</u>
Bryan Farmer	Muskogee	11/01/2011
Terry A. Coleman	Woodward	11/01/2011

e. Application for Vested Benefit

<u>Name</u>	<u>City</u>	<u>Eff. Date</u>
William B. Hintner	Chickasha	04/01/2015
Traci E. Schinnerer	Norman	09/01/2016
Richard S. Davis	Owasso	10/29/2022
Hugh E. Odom, Jr.	Sulphur	09/22/2020

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

<u>Name</u>	<u>City</u>
Rodney J. Heggy, Personal Representative of Tommy L. Heggy	Oklahoma City

g. Death Benefit:

<u>Name</u>	<u>City</u>
Rodney J. Heggy, Personal Representative of Tommy L. Heggy	Oklahoma City
Vera A. Knox, widow of Bruce L. Knox	Oklahoma City

h. Termination of Benefit:

<u>Name</u>	<u>City</u>
Tommy L. Heggy	Oklahoma City

i. Continuation of Benefit:

<u>Name</u>	<u>City</u>
Vera A. Knox, widow of Bruce L. Knox	Oklahoma City

j. Application for Service Pension:

<u>Name</u>	<u>City</u>	<u>Eff. Date</u>
Debbie A. Chamberlain	Midwest City	11/01/2011
Billy J. Smith, Jr.	Poteau	11/01/2011
Barry Armstrong	Vinita	12/01/2011

Motion by Craig Akard and second by Randy Scott 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, Andy McPherson, Randy Scott, W. B. Smith, and Frank Stone. Absent: Brandy Manek and Rick Smith. Motion Carried.

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**ASSET CONSULTING GROUP – FINANCIAL CONSULTANT REPORT FOR MONTH ENDED SEPTEMBER 30, 2011 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 September 30, 2011, a copy of which is attached as Exhibit "A". As of September 30, 2011, the total Fund was approximately \$1,637,916,000.00. The one-year return net of fees for the total Fund is 1.12%.

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**PRESENTATIONS FOR EMERGING MARKET EQUITY MANAGER:**

Lori Mills presented and reviewed the document entitled “Emerging Markets Candidates,” a copy of which is attached as “Exhibit “B”.

- A. BRANDES INVESTMENT PARTNERS**
- B. VONTOBEL ASSET MANAGEMENT**

**MARTIN RUSCHER, OKLAHOMA CITY – REQUEST TO BUY BACK NON-CREDITABLE SERVICE WHILE EMPLOYED WITH THE CHOCTAW POLICE DEPARTMENT FROM 08/13/1983 TO 08/12/1984. BOARD TO TAKE APPROPRIATE ACTION AS DEEMED NECESSARY.**

Motion by Craig Akard and second by Tony Davenport to deny request to buy back non-creditable service while employed with the Choctaw Police Department from 08/13/1983 to 08/12/1984. Ayes: Craig Akard, Jeff Cealka, Tom Custer, Tony Davenport, Jim Keese, Charles Kerr, Susan Knight, Brandy Manek, Andy McPherson, and Frank Stone. Nays: Randy Scott and W. B. Smith. Absent: Rick Smith. Motion Carried.

**LOREN E. PETERSON, BARTLESVILLE – REQUEST TO AMEND PREVIOUSLY APPROVED APPLICATION FOR PARTICIPATION IN THE OKLAHOMA DEFERRED OPTION PLAN UNDER THE BACK DROP PROVISION APPROVED 08/17/2011. BOARD TO TAKE APPROPRIATE ACTION AS DEEMED NECESSARY.**

Motion by Tony Davenport and second by Jeff Cealka to approve request to amend previously approved application for participation in the Oklahoma Deferred Option Plan under the Back Drop provision approved 08/17/2011. Ayes: Craig Akard, Jeff Cealka, Tom Custer, Tony Davenport, Charles Kerr, Jim Keese, Susan Knight, Brandy Manek, Andy McPherson, Randy Scott, W. B. Smith, and Frank Stone. Absent: Rick Smith. Motion Carried.

**REVIEW OF BOARD REPORTS**

The Account #6000, Fund 20000 (operating expenses), report is attached as Exhibit "C"; the Account #8557A, Fund Expenditures (receipts and disbursements), report for September 2011 is attached as Exhibit "D"; the Broker Commission Report is attached as Exhibit "E"; and the report for the Statement of Total Fund is attached as Exhibit "F."

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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 no action to be taken at this time; Administrative Rules will be presented at the November Board meeting.

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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 the FOP has sued the City of Norman and the Oklahoma Police Pension and Retirement System has been named as a Defendant in order for the system to accept contributions as ordered by the court.

**CONTINUATION OF PRESENTATIONS FOR EMERGING MARKET EQUITY MANAGER**

- C. WASATCH FUNDS
- D. WELLS CAPITAL MANAGEMENT
- E. WILLIAM BLAIR & COMPANY

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**CONSIDERATION AND VOTE ON WHETHER TO HIRE AN EMERGING MARKET EQUITY MANAGER(S). BOARD TO TAKE APPROPRIATE ACTION AS DEEMED NECESSARY.**

Motion by Craig Akard and second by W. B. Smith that Vontobel (70% of the allocation) and Wasatch (30% of the allocation) be selected as emerging market equity managers. Ayes: Craig Akard, Jeff Cealka, Tom Custer, Tony Davenport, Jim Keesee, Susan Knight, Brandy Manek, Andy McPherson, Randy Scott, W. B. Smith, and Frank Stone. Nays: Charles Kerr. Absent: Rick Smith. Motion Carried.

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**ASSET CONSULTING GROUP – DISCUSSION AND POSSIBLE VOTE ON INTERNATIONAL GROWTH EQUITY MANAGER SEARCH FINALISTS AS RECOMMENDED BY ASSET CONSULTING GROUP. BOARD TO TAKE APPROPRIATE ACTION AS DEEMED NECESSARY.**

Mr. Tarlas and Ms. Mills reviewed with the Board the document “International Growth Candidates,” attached as Exhibit “G,” explaining the strategies of the various investment managers

Motion by Craig Akard and second by W. B. Smith to invite the following investment managers to make presentations at the December 2011 Board Meeting: Pictet, Baring and Harding Loevner. Ayes: Craig Akard, Jeff Cealka, Tom Custer, Tony Davenport, Jim Keesee, Charles Kerr, Susan Knight, Brandy Manek, Andy McPherson, Randy Scott, W. B. Smith, and Frank Stone. Absent: Rick Smith. Motion Carried.

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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.**

Charles Kerr reported there were a lot of good comments regarding the Oklahoma Public Fund Trustee Education Conference and staff.

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**DIRECTOR’S REPORT**

Presentations for International Growth Managers will be on the December agenda.

Mr. Snyder reported there will be four disability hearings on the November agenda, and will be revisiting the Jeffery Taylor case.

November agenda approval to issue an RFP for Long/Short Managers.

December agenda will include International Growth Managers presentations.

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The meeting was adjourned at approximately 2:30 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.