

**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**

OCTOBER 17, 2012

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, October 17, 2012, in the Board Room of the Oklahoma Police Pension and Retirement System.

MEMBERS PRESENT: Craig Akard, Tom Custer, Tony Davenport, Jim Keesee, Charles Kerr, Andy McPherson, Ryan Perkins, Randy Scott, Rick Smith, and W. B. Smith.

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

MEMBERS ABSENT: Susan Knight, Brandy Manek and Frank Stone

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Note Frank Stone arrived at approximately 9:54 a.m. and Brandy Manek arrived at approximately 10:05 a.m.

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APPROVAL OF MINUTES OF BOARD MEETING HELD SEPTEMBER 19, 2012

Motion by W.B. Smith and second by Randy Scott to approve the Minutes of the Regular Board Meeting held September 19, 2012. Ayes: Tom Custer, Tony Davenport, Jim Keesee, Charles Kerr, Andy McPherson, Ryan Perkins, Randy Scott, Rick Smith, and W. B. Smith. Absent: Susan Knight, Brandy Manek and Frank Stone. Abstain: Craig Akard. Motion Carried.

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APPROVAL OF MINUTES OF SPECIAL BOARD MEETING HELD SEPTEMBER 28, 2012

Motion by W.B. Smith and second by Charles Kerr to approve the Minutes of the Special Board Meeting held September 28, 2012. Ayes: Tom Custer, Tony Davenport, Charles Kerr, Andy McPherson, Ryan Perkins, Randy Scott, and W. B. Smith. Absent: Susan Knight, Brandy Manek and Frank Stone. Abstain: Craig Akard, Jim Keesee, and Rick Smith. Motion Carried.

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HEARING: CASE NO. OPPRB 12-03, APPLICATION FOR DISABILITY BENEFIT IN LINE OF DUTY FOR CHARLES “PAT” MCCARTY, BARTLESVILLE

Mr. Charles “Pat” McCarty was in attendance at the hearing and he was not represented by legal counsel.

Mr. Snyder gave a brief update of the case to the Board and introduced the following documents into the record:

- Exhibit 1 – Notice of Hearing, dated October 10, 2012
- Exhibit 2 – Application for Disability Benefit in Line of Duty, dated March 8, 2012
- Exhibit 3 – Letter from the City of Bartlesville stating there was no position for the officer, dated March 8, 2012
- Exhibit 4 – City of Bartlesville – Employee’s Report of Injury on the Job, dated June 9, 1999
- Exhibit 5 – Order Awarding Permanent Partial Disability Benefits, filed October 31, 2001
- Exhibit 6 – City of Bartlesville – Supervisor’s Report of Occupational Injury or Illness, dated September 19, 2004
- Exhibit 7 – City of Bartlesville – Employee’s Report of Injury on the Job, dated September 19, 2004
- Exhibit 8 – Joint Petition – Workers’ Compensation Court, filed November 28, 2007
- Exhibit 9 – Official Oklahoma Traffic Collision Report, dated November 4, 2012
- Exhibit 10 – City of Bartlesville – Occupational Injury or Illness Report, dated November 4, 2010
- Exhibit 11 – Medical Report from Dr. John Munneke, dated September 26, 2012

Mr. Charles “Pat” McCarty asked that the following be entered into the record;

- Applicant’s Exhibit 12 - Compromise Settlement – Workers’ Compensation Court, filed November 29, 2011
- Applicant’s Exhibit 13 - Compromise Settlement – Workers’ Compensation Court, filed November 29, 2011
- Applicant’s Exhibit 14 - Joint Petition – Workers’ Compensation Court, filed November 28, 2007
- Applicant’s Exhibit 15 - Order Awarding the Nature and Extent of Permanent Partial Disability Benefits – Workers’ Compensation Court, filed November 9, 2005
- Applicant’s Exhibit 16 - Joint Petition – Workers’ Compensation Court, filed October 20, 2006
- Applicant’s Exhibit 17 - Order Awarding Permanent Partial Disability Benefits – Workers’ Compensation Court, filed October 31, 2001
- Applicant’s Exhibit 18 - Joint Petition – Workers’ Compensation Court, filed August 7, 2002
- Applicant’s Exhibit 19 - Form 3 – Workers’ Compensation Court, filed July 20, 2000
- Applicant’s Exhibit 20 - Form 3 – Workers’ Compensation Court, filed October 5, 2004
- Applicant’s Exhibit 21 - Order Awarding Multiple Injury Trust Fund Permanent Total Disability Benefits, filed May 18, 2012
- Applicant’s Exhibit 22 - Medical Report from Dr. Richard Hastings, dated February 28, 2012

Mr. Charles “Pat” McCarty did testify before the board.

Motion by Ryan Perkins and second by Craig Akard to go into Executive Session (at approximately 9:30 am). Ayes: Craig Akard, Tom Custer, Tony Davenport, Jim Keese, Charles Kerr, Andy McPherson, Ryan Perkins, Randy Scott, Rick Smith and W. B. Smith. Absent: Susan Knight, Brandy Manek, and Frank Stone. Motion Carried.

Motion by Tony Davenport and second by Andy McPherson to go back into Open Session (at approximately 9:52 am). Ayes: Craig Akard, Tom Custer, Tony Davenport, Jim Keesee, Charles Kerr, Andy McPherson, Ryan Perkins, Randy Scott, Rick Smith and W. B. Smith. Absent: Susan Knight, Brandy Manek, and Frank Stone. Motion Carried.

Mr. Snyder advised Mr. Charles "Pat" McCarty, that if he had more surgeries coming up, he did have the option to withdraw his disability application and re-file once treatment was complete. Mr. McCarty stated he wished to proceed with the disability application at this time.

Motion by Craig Akard and second by Tony Davenport to award Mr. Charles "Pat" McCarty a disability benefit in line of duty based on an impairment of 74% to the whole person which equates to 75% of the normal disability retirement. Ayes: Craig Akard, Tom Custer, Tony Davenport, Jim Keesee, Charles Kerr, Andy McPherson, Ryan Perkins, Randy Scott, Rick Smith and W. B. Smith. Absent: Susan Knight, Brandy Manek, and Frank Stone. Motion Carried.

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HEARING: CASE NO. OPRB 12-02, APPLICATION FOR DISABILITY BENEFIT IN LINE OF DUTY FOR MARSHA VANHOUTTE, CHOCTAW

Mr. Snyder advised the board that Ms. VanHoutte had requested an indefinite continuance due to ongoing medical care.

Motion by Tony Davenport and second by Jim Keesee to continue indefinitely Case No. OPRB 12-02, Application for Disability Benefit In Line of Duty for Marsha Vanhoutte, Choctaw. Ayes: Craig Akard, Tom Custer, Tony Davenport, Jim Keesee, Charles Kerr, Andy McPherson, Ryan Perkins, Randy Scott, Rick Smith, W.B. Smith and Frank Stone. Absent: Susan Knight and Brandy Manek. 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>
Travis B. Coyle	Blackwell
John R. Harvey	Blackwell
Randal W. Arnold	Bristow
Sean E. Choate	Chickasha
Teresa N. Cabello-Corp	Comanche
Christopher K. Hampton	Comanche
Justin C. Harkins	Comanche
Christopher L. Talley	Haskell
Michael B. Gauldin	Jenks
Andrew D. Adams	Madill
Tucker A. Ballinger	Oklahoma City
Jacob T. Brown	Oklahoma City
Jordan L. Cook	Oklahoma City
Robert K. Cook	Oklahoma City

William R. Couch	Oklahoma City
Trevor D. Duncan	Oklahoma City
Zachary J. Eldridge	Oklahoma City
Jermaine D. Foster	Oklahoma City
Steven B. Golay	Oklahoma City
David Hernandez-Medrano	Oklahoma City
Bryant Holloway	Oklahoma City
Alex P. Huff	Oklahoma City
Kelsey J. Lawson	Oklahoma City
Jarred J. McHenry	Oklahoma City
Thomas A. Murray	Oklahoma City
Thomas C. Myers	Oklahoma City
Jacob O. Nunez	Oklahoma City
Samuel O. Nunez, Jr.	Oklahoma City
Destry P. Richardson	Oklahoma City
Cody J. Rodgers	Oklahoma City
Randall K. Tillman	Oklahoma City
Jeremiah G. Thompson	Oklahoma City
Ivan Venegas	Oklahoma City
Melissa W. Weigand	Oklahoma City
Brian M. File	Alva
Joshua R. Whitney	Coweta
Jason T. Albright	Edmond
Brenton P. Brown	Edmond
Travis R. Eastbourne	Edmond
Torrey S. Rowe	Edmond
Micah R. Yost	Edmond
Joshua K. Allison	Enid
Vladimir S. Iglesias	Enid
Earl F. Smith, III	Enid
Jacob J. Bankston	Guymon
Daniel W. Carli	Oklahoma City
Aaron M. Layden	Oklahoma City
Justin M. Thee	Oklahoma City

b. Application for Refund of Contributions

<u>Name</u>	<u>City</u>
Robbie Frazier	Ardmore
William Kays	Duncan
Michelle Singh	Duncan
Kimothy L. Smith	Hobart
Brian Bowen	Hugo
Dustin Bode	Lawton
Jason F. Zimmerman	Oklahoma City
Stephen B. Enos	Wetumka
John D. Smith	Altus
Randal L. Williams	Ardmore
Rocky L. Ferdig	Commerce
Greg Baker	Enid
Chad W. French	Eufaula

Randy L. Ramming	Lindsay
Timothy W. Sands	Muskogee
Juan Duarte	Ponca City
Jason Null	Prague
Russell T. Beesley	Tecumseh
Gregory K. Brooks	Wewoka

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>
James H. Parks	Norman	10/01/2007	10/01/2012
Leah K. Peters	Oklahoma City	11/01/2008	11/01/2012
Donny G. Gaines	Pryor	05/01/2009	10/01/2012
Timothy S. Smith	El Reno	03/01/2012	11/01/2012
Peter Moore	Lawton	02/01/2009	11/01/2012

d. Application for Vested Benefit:

<u>Name</u>	<u>City</u>	<u>Eff. Date</u>
Adam K. Duncan	Bartlesville	12/12/2029
Timothy H. Williams	Nicoma Park	09/27/2012
Joshua W. Martin	Tulsa	02/15/2027

e. Death Benefit:

<u>Name</u>	<u>City</u>
Willie Still, widow of Virgil J. Still	Claremore
Gala L. Stieber, widow of Bobby J. Stieber	Ponca City

f. Continuation of Benefit:

<u>Name</u>	<u>City</u>
Willie Still, widow of Virgil J. Still	Claremore
Gala L. Stieber, widow of Bobby J. Stieber	Ponca City

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

<u>Name</u>	<u>City</u>
Sharon D. Davis, Personal Rep. of Dorothy I. Davis	Ada

h. Termination of Benefit:

<u>Name</u>	<u>City</u>
Dorothy I. Davis	Ada

Motion by W.B. Smith and second by Craig Akard 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, Andy McPherson, Ryan Perkins, Randy Scott, Rick Smith, W.B. Smith and Frank Stone. Absent: Susan Knight 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 September 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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ASSET CONSULTING GROUP – FINANCIAL CONSULTANT REPORT FOR MONTH ENDED SEPTEMBER 30, 2012, AND DISCUSSION ON REBALANCING PORTFOLIO ASSETS AMONG VARIOUS ASSET STRATEGIES AND MANAGERS; BOARD TO TAKE APPROPRIATE ACTION AS DEEMED NECESSARY.

Mr. Jason Pulos briefly reviewed the ASAP report for the month ended September 30, 2012, a copy of which is attached as Exhibit "E". As of September 30, 2012, the total Fund was approximately \$1,845,957.00. The one-year return net of fees for the total Fund is 14.83%.

Mr. Pulos stated that the portfolio had a good month and a good quarter. He also stated that the total portfolio balance was at its highest.

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ASSET CONSULTING GROUP – REVIEW OF REAL ASSETS PORTFOLIO AND RECOMMENDED INDICATION OF INTENT TO COMMIT ADDITIONAL ASSETS TO JP MORGAN STRATEGIC PROPERTY FUND AND INTIAL FUNDING TO TA ASSOCIATES REALTY X. BOARD TO TAKE APPROPRIATE ACTION AS DEEMED NECESSARY.

Mr. Jason Pulos reviewed the Real Assets Portfolio Review, a copy of which is attached as Exhibit "F", with the board. He also reviewed The Realty Associates Fund X, LP Investment Memo, a copy of which is attached as Exhibit "G".

Motion by Craig Akard and second by Tony Davenport to commit \$20 million to JP Morgan Strategic Property Fund and \$20 million to The Realty Associates Fund X. Ayes: Craig Akard, Tom Custer, Tony Davenport, Jim Keesee, Charles Kerr, Brandy Manek, Andy McPherson, Ryan Perkins, Randy Scott, Rick Smith, W.B. Smith and Frank Stone. Absent: Susan Knight. Motion Carried.

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ASSET CONSULTING GROUP – DISCUSSION AND POSSIBLE VOTE ON MODIFICATION OF INVESTMENT POLICY FOR LONG/SHORT EQUITY PORTOFILO. BOARD TO TAKE APPROPRIATE ACTION AS DEEMED NECESSARY.

Mr. Jason Pulos reviewed the revised Oklahoma Police Pension and Retirement Fund Investment Policy, Appendix A, a copy of which is attached as Exhibit "H".

Motion by W.B. Smith and second by Randy Scott to approve the modifications of Investment Policy for Long/Short Equity Portofilo. Ayes: Craig Akard, Tom Custer, Tony Davenport, Jim Keesee, Charles Kerr, Brandy Manek, Andy McPherson, Ryan Perkins, Randy Scott, Rick Smith, W.B. Smith and Frank Stone. Absent: Susan Knight. Motion Carried.

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

Mr. Steven Snyder advised the board on the status of the House Pension Oversight Committee Interim Studies.

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

Mr. Steven Snyder presented the board with the Suggested Legislation for the Oklahoma Police Pension and Retirement System, a copy of which is attached as Exhibit "I".

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

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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. Steven Snyder advised the board that Executive Session would not be necessary. He advised the board that the extension was signed stating that contract had to be signed by January 31, 2013 and closing had to take place no later than June 28, 2013.

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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 as there had been no change on any of the cases.

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NEW BUSINESS

No New Business

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BOARD MEMBERS' REPORTS

Mr. Randy Scott advised that the OKC Police Department was working with the family on the paperwork for the OKC Police Recruit who had passed away at the Training Center.

Mr. Andy McPherson advised the board to review and read the State Question dealing with breaking up the DHS Commission.

Mr. Ryan Perkins advised the board that there would also be a State Question regarding Intangible Assets and that would include pensions. He also asked about paying contributions for a Tulsa Police Captain who was going to be the Interim IT Director.

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

Mr. Snyder advised that the IFEBP Annual Conference would be in San Diego, CA in a couple weeks and to direct any questions about travel arrangements to Darcie Gordon.

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DIRECTOR’S REPORT

Mr. Snyder reported that the Pension Books were at the printers. He also reminded the board that the November board meeting was moved to November 28th, 2012 and that the iPads would be distributed at the end of the meeting.

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DENNIS L. NEFF, SALLISAW – REQUEST TO BUY BACK PRIOR SERVICE WHILE EMPLOYED WITH THE TAHLEQUAH POLICE DEPARTMENT FROM 12/26/1984 TO 7/13/1987. BOARD TO TAKE APPROPRIATE ACTION AS DEEMED NECESSARY.

Motion by W.B. Smith and second by Charles Kerr to approve request to buy back prior service while employed with the Tahlequah Police Department from 12/26/1984 to 7/13/1987. Ayes: Craig Akard, Tom Custer, Tony Davenport, Jim Keesee, Charles Kerr, Brandy Manek, Andy McPherson, Ryan Perkins, Randy Scott, Rick Smith, W.B. Smith and Frank Stone. Absent: Susan Knight. Motion Carried.

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MARCUS L. TARTSAH, EL RENO – REQUEST TO RESCIND APPLICATION FOR REFUND APPROVED ON 9/19/2012. BOARD TO TAKE APPROPRIATE ACTION AS DEEMED NECESSARY.

Motion by Tony Davenport and second by Charles Kerr approve request to rescind Application for Refund approved on 9/19/2012. Ayes: Craig Akard, Tom Custer, Tony Davenport, Jim Keesee, Charles Kerr, Brandy Manek, Andy McPherson, Ryan Perkins, Randy Scott, Rick Smith, W.B. Smith and Frank Stone. Absent: Susan Knight. Motion Carried.

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The meeting was recessed at approximately 11:15 am, until 1:30 pm.

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At approximately 1:35 pm, Chairman Custer announced that the meeting was back in order.

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The representatives of the investment managers listed below made presentations to the Board which included a brief overview of the presenter and their firm, any relevant changes within their organization, their outlook on the financial marketplace, and how their portfolio is positioned to take advantage of that outlook, etc.:

WILLIAM BLAIR

Bob Duwa
Matt Liftin

MONDRIAN
Jonathan Spread
Stephen Starnes

JP MORGAN
Michael Duignan
Marcia Matthews

SINGULER GUFF
Jim Corl

PAAMCO
Jim Meehan
Jeff Willardson

A quorum of the Board did attend a reception/dinner, during which business of the System was not discussed. The reception/dinner was held at Twelve Oaks Restaurant, 6100 N. Midwest Blvd., Edmond, Oklahoma.

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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 OFFICER.