

**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 16, 2013

The regular meeting of the Oklahoma Police Pension and Retirement Board was called to order by Chairman Jim Keesee at approximately 9:00 a.m. on Wednesday, October 16, 2013, in the Board Room of the Oklahoma Police Pension and Retirement System.

MEMBERS PRESENT: Tom Custer, Tony Davenport, Jim Keesee, Susan Knight, Andy McPherson, Ryan Perkins, Rick Smith, W.B. Smith, Frank Stone and Jeff Pierce.

OTHERS: Steven K. Snyder, Executive Director; Darcie Gordon, Administrative Officer; Christina Hirschman, Executive Legal Assistant; Deric Berousek, Chief Financial Officer; Sean Ruark, Pension Administration Officer; Jason Pulos, Asset Consulting Group; and Joe Nugent, Asset Consulting Group.

MEMBERS ABSENT: Craig Akard, Brandy Manek, and Tim Foley

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Note Tim Foley arrived at approximately 9:15 a.m.

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APPROVAL OF MINUTES OF BOARD MEETING HELD SEPTEMBER 18, 2013

Motion by W.B. Smith and second by Tom Custer to approve the Minutes of the Regular Board Meeting held September 18, 2013. Ayes: Tom Custer, Tony Davenport, Jim Keesee, Andy McPherson, Ryan Perkins, Rick Smith, W.B. Smith, Frank Stone and Jeff Pierce. Abstain: Susan Knight. Absent: Craig Akard, Brandy Manek and Tim Foley. Motion Carried.

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HEARING: CASE NO. OPPRB 13-01, APPLICATION FOR DISABILITY BENEFIT IN LINE OF DUTY FOR MARK BITTNER, CLAREMORE

Mr. Bittner was not present nor was he represented by legal counsel. Mr. Steven Snyder introduced the following exhibits into the record:

- Exhibit #1 Notice of Hearing dated September 11, 2013
- Exhibit #2 Application for Disability Benefit In Line of Duty, dated January 13, 2013
- Exhibit #3 Occupational Injury or Illness Report and witness statements (4 pages)
- Exhibit #4 Physicians Statement from Faust Bianco, Jr., Ph.D.
- Exhibit #5 Letter from the City of Claremore stating there is no position for the officer, dated August 17, 2011
- Exhibit #6 Certificate to Return to Work from Claremore Physicians Immediate Care
- Exhibit #7 Medical Report from Dr. Leroy Young dated August 6, 2013 (10 pages)

Exhibit #8 Addendum to Medical Report from Dr. Leroy Young, showing combined totals. Dated October 11, 2013 (2 pages)

Motion by W.B. Smith and second by Ryan Perkins to award Mr. Mark Bittner a disability benefit in line of duty based on an impairment of 16% to the whole person which equates to 50% of the normal disability retirement. Ayes: Tom Custer, Tony Davenport, Jim Keesee, Susan Knight, Andy McPherson, Ryan Perkins, Rick Smith, W.B. Smith, Frank Stone and Jeff Pierce. Absent: Craig Akard, Brandy Manek and Tim Foley. 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>
John Caviness	Alva
Belen Rodriguez	Blanchard
Brandon E. Hill	Catoosa
Steven P. Jurczewsky	Cushing
Larry C. Barnett	Eufaula
Ronald D. Ross, Jr.	Eufaula
Candy N. Webb	Eufaula
Samuel P. Shelton	Frederick
Brittany M. Schulte	Lawton
Richard M. Folsom	Marlow
Leslie A. Dixon	Norman
Brent J. Parmenter	Nowata
Brian K. Alexander	Piedmont
Lance G. Yoakum	Sallisaw
Stephen C. Brown	Spencer
Jason M. Angel	Tulsa
Holly D. Bates	Tulsa
Justin R. Bean	Tulsa
Justin L. Brown	Tulsa
Michael J. Cawiezell	Tulsa
Timothy S. Cronin	Tulsa
Emily K. Dale	Tulsa
Angela N. Emberton	Tulsa
Alex M. Jones	Tulsa
Nickolaus A. Labadie	Tulsa
David A. Ledezma	Tulsa
Brian Z. Liang	Tulsa
Jerod D. Lum	Tulsa
Peter W. Maher	Tulsa
Jonathan McCann	Tulsa
Emily K. Michie	Tulsa
Kyle N. Morgan	Tulsa
Aaron A. Phillips	Tulsa
Melissa D. Townsend	Tulsa

Eric M. Cope	Warner
Brian K. Straughn	Warr Acres
Nathan J. Colbert	Wister
Micheal E. Suttles	Wister
Harley D. Graves	Elk City
Perry L. Rackley	Okeene

b. Application for Refund of Contributions:

<u>Name</u>	<u>City</u>
Kasey L. Mills	Altus
Sean Choate	Chickasha
Tim Gibson	El Reno
Clarence Ferguson	Hinton
Charles Neill	Hominy
Dale R. Fisher	Lawton
Chadd A. Mendiola	Lawton
Amber Amason	Norman
Jacob Brown	Oklahoma City
Christopher Gulikers	Oklahoma City
Tyler Webb	Oklahoma City
Tristan Walker	Okmulgee
Patricia Jo Davis	Sapulpa
Joshua R. Welk	Sayre
Joseph W. Walton	Tulsa
Evan Adkins	Tuttle
Burt S. Page	Ada
Johnathan C. Dominic and Alexis B. Dominic, Surviving Children of John F. Dominic	Eufaula
Steven M. Saxton	Prague

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>
Richard H. Coleman	Tulsa	10/01/2008	10/1/2013
Barry Lanzner	Oklahoma City	11/01/2008	10/01/2013

d. Application for Service Pension:

<u>Name</u>	<u>City</u>	<u>Eff. Date</u>
Ronnie Branscum	Poteau	12/01/2013

e. Application for Vested Benefit:

<u>Name</u>	<u>City</u>	<u>Eff. Date</u>
Randy Evans	Cushing	02/11/2032

f. Death Benefit:

<u>Name</u>	<u>City</u>
Cheryl A. Weddle, widow of Royce O. Weddle	Norman
Shawna Tanner, widow of Richard A. Tanner, II	Enid
Johnathan C. Dominic and Alexis B. Dominic, Surviving Children of John F. Dominic	Eufaula

g. Continuation of Benefit:

<u>Name</u>	<u>City</u>
Cheryl A. Weddle, widow of Royce O. Weddle	Norman
Shawna Tanner, widow of Richard A. Tanner, II	Enid

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

<u>Name</u>	<u>City</u>
Donna K. Carpenter, Personal Rep. of Dorothy N. Holland	Shawnee

i. Termination of Benefit:

<u>Name</u>	<u>City</u>
Dorothy N. Holland	Shawnee

Motion by Rick Smith and second by Tony Davenport for approval of applications for Police Deferred Option Plan, Participation, Service Pension, Refunds and Benefits and the Addendum, with the exception of Holly Bates, Tulsa. Ayes: Tom Custer, Tony Davenport, Jim Keesee, Susan Knight, Andy McPherson, Ryan Perkins, Rick Smith, W.B. Smith, Frank Stone and Jeff Pierce. Absent: Craig Akard, Brandy Manek and Tim Foley. 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 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 SEPTEMBER 30, 2013, AND DISCUSSION ON REBALANCING PORTFOLIO ASSETS AMONG VARIOUS ASSET STRATEGIES AND MANAGERS .

Mr. Jason Pulos and Mr. Joe Nugent reviewed the ASAP report for the month ended September 30, 2013, a copy of which is attached as Exhibit "E". As of September 30, 2013, the total Fund was approximately \$2,035,448,000.00. The one-year return net of fees for the total Fund is 11.92%.

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

Mr. Jason Pulos and Mr. Joe Nugent reviewed the US Small-SMID Cap Growth Overview, a copy of which is attached as Exhibit “F”. Mr. Pulos advised the board that 72 RFP’s had been received from 66 different firms. He also noted that ACG’s opinion was that Cortina Asset Management or Apex Capital Management would be the best balance with Boston Partners. The initial investment would 5-6% of the portfolio, but would eventually be reduced to about 2.5% of the portfolio.

Motion by W.B. Smith and second by Tony Davenport to have Apex Capital Management, Cortina Asset Management and Loomis Sayles present at the November Board Meeting. Ayes: Tom Custer, Tony Davenport, Jim Keesee, Susan Knight, Andy McPherson, Ryan Perkins, Rick Smith, W.B. Smith, Frank Stone, Jeff Pierce and Tim Foley. Absent: Craig Akard and Brandy Manek. Motion Carried.

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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. Joe Nugent reviewed Fiscal Year 2013 Private Equity Portfolio Review, a copy of which is attached as Exhibit “G”. ACG recommended a total investment of \$20 million in Oaktree European Dislocation Fund, Firstmark Capital Find III, and Apollo Investment Fund VIII.

Motion by Tom Custer and second by WB Smith to invest \$7.5 million in Oaktree European Dislocation Fund, \$5 million in Firstmark Capital Fund III, and \$7.5 million in Apollo Investment Fund VIII. Ayes: Tom Custer, Tony Davenport, Jim Keesee, Susan Knight, Andy McPherson, Ryan Perkins, Rick Smith, W.B. Smith, Frank Stone, Jeff Pierce and Tim Foley. Absent: Craig Akard and Brandy Manek. Motion Carried.

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CONSIDERATION AND POSSIBLE VOTE ON RESETTING THE ACTUARIAL AMORTIZATION SCHEDULE. BOARD TO TAKE APPROPRIATE ACTION AS DEEMED NECESSARY.

The board discussed resetting the actuarial amortization schedule, no action was taken.

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CONSIDERATION AND VOTE ON EFFECTIVE DATE OF SALARY INCREASE FOR THE EXECUTIVE DIRECTOR. BOARD TO TAKE APPROPRIATE ACTION AS DEEMED NECESSARY.

Motion by W.B. Smith and seconded by Ryan Perkins to set the effective date of the Executive Directors salary increase to October 1, 2013. Ayes: Tom Custer, Tony Davenport, Jim Keesee, Susan Knight, Andy McPherson, Ryan Perkins, Rick Smith, W.B. Smith, Frank Stone, Jeff Pierce and Tim Foley. Absent: Craig Akard and Brandy Manek. Motion Carried

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LITIGATION REPORT – PROPOSED EXECUTIVE SESSION, IF DEEMED NECESSARY BY LEGAL COUNSEL TO DISCUSS CASE NO. TBD, IN RE DOLE FOOD COMPANY, INC. (STATE OF DELAWARE COURT OF CHANCERY)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. Steven Snyder advised the board that no executive session was necessary, also that all the lawsuits were still pending and there had been no change in status. OPPRS was selected as co-lead lead plaintiff in the Dole Food case. OPPRS is waiting on payment in the Career Education case. Tempur-Pedic is still pending, the judge has not ruled on the motion to dismiss.

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NEW BUSINESS

No new business

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BOARD MEMBERS' REPORTS

W.B. Smith stated that the OPFTEC was good.

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

Mr. Snyder advised that IFEBP including CAPPP and Trustee Masters Program is in Las Vegas, NV in October, NCPERS Public Safety Conference was coming up in Rancho Mirage, CA., and NCPERS Annual Conference would be in San Antonio next year. He also stated CAPPP would hold programs next year in Boston, MA and San Jose, CA.

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DIRECTOR'S REPORT

Mr. Snyder reported that the Senate Interim Study 13-53 will meet today until approximately 1:05 p.m. in room 419c. He also stated that the SMID RFP finalist will present at the November Board Meeting and this afternoon is the Managers Meeting with dinner to follow at Boulevard Steakhouse.

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KEITH D. INGLE, ARDMORE – REQUEST TO BUY BACK PRIOR SERVICE WHILE EMPLOYED WITH THE ARDMORE POLICE DEPARTMENT FROM 03/03/1997 TO 03/11/2002. BOARD TO TAKE APPROPRIATE ACTION AS DEEMED NECESSARY.

Motion by Tony Davenport and seconded by Andy McPherson to approve request to buy back prior service while employed with the Ardmore Police Department from 03/03/1997 to 03/11/2002. Ayes: Tom Custer, Tony Davenport, Jim Keese, Susan Knight, Andy McPherson, Ryan Perkins, Rick Smith, W.B. Smith, Frank Stone, Jeff Pierce and Tim Foley. Absent: Craig Akard and Brandy Manek. Motion Carried

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TIMOTHY J. STRINGER, DEWEY – REQUEST TO BUY BACK PRIOR SERVICE WHILE EMPLOYED WITH THE TULSA POLICE DEPARTMENT FROM 09/01/1984 TO 03/28/1986 AND BARTLESVILLE POLICE DEPARTMENT FROM 03/31/1986 – 04/13/1990. BOARD TO TAKE APPROPRIATE ACTION AS DEEMED NECESSARY.

Motion by Tom Custer and seconded by Tony Davenport to approve request to buy back prior service while employed with the Tulsa Police Department from 09/01/1984 to 03/28/1986 and Bartlesville Police Department from 03/31/1986 to 04/13/1990. Ayes: Tom Custer, Tony Davenport, Jim Keesee, Susan Knight, Andy McPherson, Ryan Perkins, Rick Smith, W.B. Smith, Frank Stone, Jeff Pierce and Tim Foley. Absent: Craig Akard and Brandy Manek. Motion Carried

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The meeting was recessed at approximately 10:38 am, until 1:00 pm.

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At approximately 1:00 pm, Chairman Keesee 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.:

OAKTREE CAPITAL MANAGEMENT

Talbot Carleton

MONDRIAN

Stephen Starnes
Russell Mackie

LOOMIS SAYLES

John Cardinali
Raffaello Distefano

FIRSTMARK

Rick Heitzmann

BOSTON PARTNERS

David Gullen
George Gumpert

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CONSIDERATION AND VOTE, SUBJECT TO BOARD’S EXCEPTION, ON THE FOLLOWING APPLICATIONS

a. Application for Participation:

Name
Holly D. Bates

City
Tulsa

Motion by W.B. Smith and second by Andy McPherson for approval of application for Participation. Ayes: Tom Custer, Tony Davenport, Jim Keesee, Andy McPherson, Ryan Perkins, Rick Smith, W.B. Smith, Jeff Pierce and Tim Foley. Absent: Craig Akard, Susan Knight, Brandy Manek, and Frank Stone. Motion Carried.

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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 Boulevard Steakhouse, 505 S. Boulevard, 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 DARCIÉ GORDON, ADMINISTRATIVE OFFICER.