

**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**

**JANUARY 16, 2013**

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, January 16, 2013, in the Board Room of the Oklahoma Police Pension and Retirement System.

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

OTHERS: Steven K. Snyder, Executive Director; Darcie Gordon, Administrative Officer; Christina Hirschman, Executive Legal Assistant; Sean Ruark, Pension Analyst; Deric Berousek, Chief Financial Officer; Jan Presler, Attorney General's Office; and George Tarlas, Asset Consulting Group.

MEMBERS ABSENT: Craig Akard and Brandy Manek

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\*\*\*Note\*\*\* Brandy Manek arrived at approximately 9:46 a.m.

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**APPROVAL OF MINUTES OF BOARD MEETING HELD DECEMBER 19, 2012**

Motion by W.B. Smith and second by Charles Kerr to approve the Minutes of the Regular Board Meeting held December 19, 2012. Ayes: Tom Custer, Tony Davenport, Jim Keesee, Charles Kerr, Susan Knight, Randy Scott, Rick Smith, W. B. Smith and Frank Stone. Abstain: Andy McPherson and Ryan Perkins. Absent: 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>
Paul W. Patterson	Claremore
Curtis W. Weatherly	Clinton
Robert A. Cruz	Elk City
Marc C. Daniel	Elk City
Ethan D. Kennedy	Elk City
Aury L. Barrett	Norman
Ashley L. Curry	Norman
Ryan R. Rylant	Norman
Trevor W. Felan	Pauls Valley
Tristan Fitzsimmons	Ponca City
Jimmie R. Kester	Vinita
Thomas A. Fletcher	Woodward

Jonathan C. Chisom	Broken Arrow
Mark W. Jennings, Jr.	Broken Arrow
Alex C. Lauderdale	Broken Arrow
Vicki R. Burton	Claremore
Geogry Bernard	Norman
Marvin D. Deatherage	Norman
Cody L. Fassett	Norman
Luke B. McCabe	Norman
Thomas R. McGuire	Norman
Jason K. Orr	Norman
Nathaniel D. Worthley	Norman
Joshua B. Dawson	Weatherford
Robert T. Leveridge	Weatherford
Steven E. Owens	Weatherford

b. Application for Refund of Contributions:

<u>Name</u>	<u>City</u>
David C. Cox	Ardmore
Derek Hall	Chickasha
Cory D. Lemons	Elk City
Jason D. Thomas	Hugo
Thomas B. Giulioli	Muskogee
Justin Adams	Poteau
Shane Mustard	Spencer
Carey Bailey	Stillwater
David S. Robertson	Watonga
Robert B. Russell	Wetumka

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>
Cory D. Aud	Broken Arrow	02/01/2008	02/01/2013
Neil L. Armstrong	Lawton	04/01/2008	03/01/2013
Brian S. Ball	Lawton	02/01/2008	02/01/2013
Ralph L. Szatkowski	Lawton	02/01/2008	02/01/2013
David B. Yarbrough	Lawton	01/01/2008	01/01/2013
Tonya L. Eastridge	Oklahoma City	02/01/2008	02/01/2013
Stanley L. VanNort	Oklahoma City	02/01/2008	02/01/2013
Phillip Evans	Tulsa	01/01/2008	01/01/2013

d. Death Benefit:

<u>Name</u>	<u>City</u>
Aden R. Elsass, surviving child of Steven R. Elsass	Oklahoma City
Joanna D. Maples, widow of Randy Maples	Lawton
Doris D. Carter, widow of Kerney Carter	Muskogee
Howard W. Adams, widow of Norma J. Adams	Oklahoma City
Julie E. Spillers, widow of Donald R. Spillers	Tulsa
Frances A. Thomas, widow of William R. Thomas	Tulsa

Imogene Summers, Personal Rep. of Perry  
Joe W. Murray

e. Continuation of Benefit:

<u>Name</u>	<u>City</u>
Aden R. Elsass, surviving child of Steven R. Elsass	Oklahoma City
Joanna D. Maples, widow of Randy Maples	Lawton
Doris D. Carter, widow of Kerney Carter	Muskogee
Howard W. Adams, widow of Norma J. Adams	Oklahoma City
Julie E. Spillers, widow of Donald R. Spillers	Tulsa
Frances A. Thomas, widow of William R. Thomas	Tulsa

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

<u>Name</u>	<u>City</u>
Imogene Summers, Personal Rep. of Joe W. Murray	Perry
Susan L. Douglass, Personal Rep. of Lelia Berniece King	Tulsa

Motion by W.B. Smith and second by Jim Keesee for approval of applications for Police Deferred Option Plan, Participation, Service Pension, Refunds and Benefits and the Addendum with above noted exception. Ayes: Tom Custer, Tony Davenport, Jim Keesee, Charles Kerr, Susan Knight, Andy McPherson, Ryan Perkins, Randy Scott, Rick Smith, W. B. Smith and Frank Stone. Absent: Craig Akard 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 December 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 DECEMBER 31, 2012, 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 the ASAP report for the month ended December 31, 2012, a copy of which is attached as Exhibit "E". As of December 31, 2012, the total Fund was approximately \$1,860,727.00. The one-year return net of fees for the total Fund is 11.87%.

Mr. Tarlas stated December was a good month and the 10 year return was back up to 7.6%.

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**ASSET CONSULTING GROUP – DISCUSSION AND POSSIBLE VOTE ON SELECTION OF HEDGE FUND(S) MANAGERS. BOARD TO TAKE APPROPRIATE ACTION AS DEEMED NECESSARY.**

Mr. George Tarlas presented the Grosvenor/GLSEF Direct Portfolio (Class B) Action Plan, January 16, 2013, a copy of which is attached as Exhibit “F”.

Motion by Tony Davenport and second by W.B. Smith to commit \$7.5 million to Hoplite Offshore Fund, Ltd. Ayes: Tom Custer, Tony Davenport, Jim Keesee, Charles Kerr, Susan Knight, Andy McPherson, Ryan Perkins, Randy Scott, Rick Smith, W. B. Smith and Frank Stone. Absent: Craig Akard and Brandy Manek. Motion Carried.

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**HM CAPITAL SPF FUND – DISCUSSION AND POSSIBLE VOTE REGARDING LIQUIDATION OF HM CAPITAL SPF FUND. BOARD TO TAKE APPROPRIATE ACTION AS DEEMED NECESSARY.**

Mr. George Tarlas advised the board they had been notified by HM Capital about the SPF Fund regarding the reinvestment into a different fund or possible liquidation.

Motion by Ryan Perkins and second by Randy Scott to liquidate the HM Capital SPF Fund. Ayes: Tom Custer, Tony Davenport, Jim Keesee, Charles Kerr, Susan Knight, Andy McPherson, Ryan Perkins, Randy Scott, Rick Smith, W. B. Smith and Frank Stone. Absent: Craig Akard and Brandy Manek. Motion Carried.

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**DISCUSS AND DELIBERATE PROPOSED RESOLUTION RECOMMENDATION FROM TAX COUNSEL REGARDING TAX QUALIFICATION CHANGES. BOARD TO TAKE APPROPRIATE ACTION AS DEEMED NECESSARY.**

Mr. Steven Snyder presented the recommended resolution from Davis Graham & Stubbs; a copy of which is attached as Exhibit “G”.

Motion by W.B. Smith and second by Charles Kerr to adopt the proposed resolution regarding tax qualification changes. Ayes: Tom Custer, Tony Davenport, Jim Keesee, Charles Kerr, Susan Knight, Andy McPherson, Ryan Perkins, Randy Scott, Rick Smith, W. B. Smith and Frank Stone. Absent: Craig Akard and Brandy Manek. 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.**

Mr. Steven Snyder presented the board with proposed changes to 11 O.S. § 50-114.1.B.5.e(2), 11 O.S. § 50-114.1.B.6.A(3), O.S. § 50-114.1.G, O.S. § 50-114.1.H, O.S. § 50-114.4; a copy of which is attached as Exhibit “H”.

Motion by Tony Davenport and second by Randy Scott to authorize proposed legislation by the Oklahoma Police Pension and Retirement System relating to IRS Technical cleanup of statutory language. Ayes: Tom Custer, Tony Davenport, Jim Keesee, Charles Kerr, Susan Knight, Andy McPherson, Ryan Perkins, Randy Scott, Rick Smith, W. B. Smith and Frank Stone. Absent: Craig Akard and Brandy Manek. 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. BOARD TO TAKE APPROPRIATE ACTION AS DEEMED NECESSARY**

Mr. Steven Snyder reviewed with the board the newly proposed changes to 550:1-7-5, 550:15-1-2, and 550:15-1-3.

Motion by Tony Davenport and second by Andy McPherson to approve the possible amendments to the administrative rules. Ayes: Tom Custer, Tony Davenport, Jim Keesee, Charles Kerr, Susan Knight, Andy McPherson, Ryan Perkins, Randy Scott, Rick Smith, W. B. Smith and Frank Stone. Absent: Craig Akard and Brandy Manek. Motion Carried.

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**DISCUSSION ATTORNEY GENERAL OPINION REQUEST O-50. PROPOSED EXECUTIVE SESSION, TO DISCUSS AND DELIBERATE ANSWER TO ATTORNEY GENERAL OPINION REQUEST O-50 PURSUANT TO 25 O.S. § 307(B)(4); RELATING TO CASE # OPPrB 11-04, IN THE MATTER OF THE APPLICATION OF JULIE ANN HUSKINS.**

Motion by W.B. Smith and second by Charles Kerr to go into Executive Session (at approximately 9:42 am). Ayes: Tom Custer, Tony Davenport, Jim Keesee, Charles Kerr, Susan Knight, Andy McPherson, Ryan Perkins, Randy Scott, Rick Smith, W. B. Smith and Frank Stone. Absent: Craig Akard and Brandy Manek. Motion Carried.

Motion by Rick Smith and second by Randy Scott to go back into Open Session (at approximately 9:50 am). Ayes: Tom Custer, Tony Davenport, Jim Keesee, Charles Kerr, Susan Knight, Andy McPherson, Ryan Perkins, Randy Scott, Rick Smith, W. B. Smith and Frank Stone. Absent: Craig Akard and Brandy Manek. Motion Carried.

Motion by Randy Scott and second by Charles Kerr to set Case # 11-04, In the Matter of the Application of Julie Ann Huskins for future board meeting. Ayes: Tom Custer, Tony Davenport, Jim Keesee, Charles Kerr, Susan Knight, Brandy Manek, Andy McPherson, Ryan Perkins, Randy Scott, Rick Smith, W. B. Smith and Frank Stone. Absent: Craig Akard. 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 no new information was available at this time regarding the sale of the building and that we should have an answer by Jan 31, 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); CASE NO.1:12-CS-12137, IN RE ABIOMED, INC (UNITED STATES DISTRICT COURT, DISTRICT OF MASSACHUSETTS); 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. He stated Career Education Corporation had completed mediation and no settlement was reached, Tempur-Pedic had named OPPRS Lead Plaintiff along with County of Norfolk, MA and City of Plymouth. OPPRS along with a group of other public funds is seeking lead plaintiff in the Abiomed case.

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**NEW BUSINESS**

No New Business

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**BOARD MEMBERS' REPORTS**

No Board Members' Reports

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

Mr. Snyder advised that the NCPERS Annual Conference would be in May 2013 held in Honolulu, HI. and IFEBP would be in Las Vegas, NV. October 2013. He advised the board to let Darcie know if they planned to attend as soon as possible.

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**DIRECTOR'S REPORT**

Mr. Snyder reported that Active Member Statements were mailed 1/12/13 and 1099's would be mailed at the end of the week. Senator Anderson had filed SB212 on the Senate side and Rep. McDaniel was waiting on language approved at today's meeting to file our bill in the House. The districts up for reelection this year are Districts 2, 5, & 7.

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**TRENT A. HUMPHREY, PRYOR – REQUEST TO BUY BACK PRIOR SERVICE WHILE EMPLOYED WITH THE PRYOR POLICE DEPARTMENT FROM 4/11/1991 TO 6/30/2000. BOARD TO TAKE APPROPRIATE ACTION AS DEEMED NECESSARY.**

Motion by Jim Keesee and second by Charles Kerr to approve request to buy back prior service while employed with the Pryor Police Department from 4/11/1991 to 6/30/2000. Ayes: Tom Custer, Tony Davenport, Jim Keesee, Charles Kerr, Susan Knight, Brandy Manek, Andy McPherson, Ryan Perkins, Randy Scott, Rick Smith, W. B. Smith and Frank Stone. Absent: Craig Akard. Motion Carried.

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The meeting was recessed at approximately 10:20 am.

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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 DARCIE GORDON, ADMINISTRATIVE OFFICER.