

**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**

**MARCH 19, 2014**

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, March 19, 2014, in the Board Room of the Oklahoma Police Pension and Retirement System.

MEMBERS PRESENT: Craig Akard, Tom Custer, Tony Davenport, Jim Keesee, Ryan Perkins, Rick Smith, W.B. Smith, and Jeff Pierce.

OTHERS: Steven K. Snyder, Executive Director; Darcie Gordon, Administrative Officer; Deric Berousek, Chief Financial Officer; Sean Ruark, Pension Administration Officer; Kim Heaton, Attorney General's Office; and Patty Karolczak, Asset Consulting Group.

MEMBERS ABSENT: Susan Knight, Brandy Manek, Andy McPherson, Frank Stone, and Tim Foley.

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\*\*\*Note\*\*\* Tim Foley arrived at approximately 9:01 a.m., Brandy Manek arrived at approximately 9:10 a.m. and Frank Stone arrived at approximately 9:13 a.m.

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**HEARING – BOARD TO CONSIDER WRITTEN COMMENTS AND HEAR PUBLIC COMMENTS REGARDING PROPOSED AMENDMENTS TO THE FOLLOWING PERMANENT RULES:**

TITLE 550: OKLAHOMA POLICE PENSION AND RETIREMENT SYSTEM

CHAPTER 1. ADMINISTRATIVE OPERATIONS

550:1-7-1 Refund vouchers [AMENDED]

CHAPTER 1. ADMINISTRATIVE OPERATIONS

550:1-7-4 Vouchers payable to an estate [AMENDED]

CHAPTER 1. ADMINISTRATIVE OPERATIONS

550:1-7-6 Return of contributions made under mistake of fact [NEW]

CHAPTER 15. OKLAHOMA POLICE DEFERRED OPTION PLAN

550:15-1-2 Forward Drop [AMENDED]

CHAPTER 20. PURCHASE OF TRANSFERRED CREDITED SERVICE

550:20-1-2 Computation [AMENDED]

Mr. Snyder advised the Board that the system has not received any request to make public comments nor has the system received any written comments.

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**DISCUSS PROPOSED AMENDMENTS TO PERMANENT RULES LISTED IN AGENDA ITEM 2**

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**CONSIDERATION AND VOTE ON WHETHER TO ADOPT THE PROPOSED AMENDMENTS TO PERMANENT RULES LISTED IN AGENDA ITEM 2 AS PRESENTED OR AS MAY BE REVISED AFTER PUBLIC HEARING AND DISCUSSION**

A copy of the proposed amendments for Chapter 1: Administrative Operations, Chapter 15: Oklahoma Police Deferred Option Plan, and Chapter 20: Purchase of Transferred Credited Service is attached as Exhibit "A".

Motion by W.B. Smith and second by Craig Akard to adopt the proposed amendments to OAC 550, Chapters 1, 15, and 20. Ayes: Craig Akard, Tom Custer, Tony Davenport, Jim Keesee, Ryan Perkins, Rick Smith, W. B. Smith and Jeff Pierce and Tim Foley. Absent: Susan Knight, Brandy Manek, Andy McPherson and Frank Stone. Motion Carried.

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**ASSET CONSULTING GROUP – FINANCIAL CONSULTANT REPORT FOR MONTH ENDED FEBRUARY 28, 2014 AND DISCUSSION ON REBALANCING PORTFOLIO ASSETS AMONG VARIOUS ASSET STRATEGIES AND MANAGERS; BOARD TO TAKE APPROPRIATE ACTION AS DEEMED NECESSARY.**

Ms. Patty Karolczak reviewed the ASAP report for the month ended February 28, 2014, a copy of which is attached as Exhibit "B". As of February 28, 2014, the total Fund was approximately \$2,165,431,000.00. The one-year return net of fees for the total Fund is 13.70%.

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**APPROVAL OF MINUTES OF BOARD MEETING HELD FEBRUARY 19, 2014**

Motion by Tom Custer and second by Ryan Perkins to approve the Minutes of the Regular Board Meeting held February 19, 2014. Ayes: Craig Akard, Tom Custer, Tony Davenport, Ryan Perkins, Rick Smith, W.B. Smith, Jeff Pierce and Tim Foley. Absent: Andy McPherson and Susan Knight. Abstain: Jim Keesee 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>
Zachary A. Wallis	Chickasha
Nicholas Z. Doe	Clinton
Jason G. McWhorter	El Reno
Devin D. Horton	Enid
John M. Morehead	Lindsay
Nicholas A. Badry	Oklahoma City
Mason D. Bollinger	Oklahoma City
Alexander L. Chaney	Oklahoma City
Ashley N. Copeland	Oklahoma City
Colton G. Ellis	Oklahoma City
Ross T. Fitzgerald	Oklahoma City

Ezra B. Forbes	Oklahoma City
Virgil G. Gibbs	Oklahoma City
Fanny Mensah	Oklahoma City
Taylor D. Roschli	Oklahoma City
Nicholas I. Rothman	Oklahoma City
Jarred L. Tipton	Oklahoma City
Christopher N. Tran	Oklahoma City
Tomy N. Tran	Oklahoma City
Nicholas L. Wallace	Oklahoma City
Bobbie M. Ritchie	Prague
Jeremy B. French	Stigler
Joshua N. Shaw	Spencer
Robert C. Barger	Weatherford
Eduardo A. Chavez	Woodward
Christopher B. Hofen	Woodward
Corey W. Boyd	Ada
Roy A. Musser	Ada
Michael L. Walker	Ada
Trey T. Fairchild	Haskell
Shawn R. Burroughs	Lawton
David T. Kamont	Lawton
Chadd-Anton S. Mendiola	Lawton
Danny U. Smith	Lawton
Trenton R. Ulrich	Lawton
Patrick M. Zickefoose	Lawton
Anthony J. Anderson	Oklahoma City
Adam M. Eller	Oklahoma City
Austin K. Ingham	Oklahoma City
Jared B. Jackson	Oklahoma City
Michael C. Moore	Oklahoma City
Jerry L. VanWinkle, Jr.	Oklahoma City

b. Application for Refund of Contributions:

<u>Name</u>	<u>City</u>
John R. Parker	Ada
Michael Larimer	Blanchard
Charles Mash	Chandler
Steven Lanier	Chickasha
Austin L. Overturff	Chickasha
David Rose	Clinton
Timothy J. Spencer	Comanche
Bradley S. George	Elk City
Devin Weaver	Elk City
Curtis Fields	Idabel
Whitten W. Kent	Idabel
Timothy E. Stone, II	Jenks
Christopher L. Hopingardner	Mangum
Anthony J. Lynch	Marlow
Keaton T. Alexander	McAlester
Barbara R. Johnson	Noble

Matthew Evans	Oklahoma City
Elizabeth Obregon-Fish	Oklahoma City
Shawn Sunderland	Yukon
Wesley Stephenson	Grove
Brian A. Johnson	Watonga

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>
Jeffrey B. Meadows	Edmond	06/01/2012	04/01/2014
Gary D. Shelton	Norman	10/01/2009	03/01/2014
Henry J Suellentrop	Oklahoma City	04/01/2009	04/01/2014
Walter J. Evans	Tulsa	04/01/2009	04/01/2014
Gary A. Meek	Tulsa	04/01/2009	04/01/2014
Perry J. Settle	Norman	10/01/2009	05/01/2014
Gerald Ritter	Oklahoma City	11/01/2010	03/01/2014
Steven L. Howard	Tulsa	03/01/2010	03/01/2014

d. Application for Vested Benefit:

<u>Name</u>	<u>City</u>	<u>Eff. Date</u>
Dawn R. Davis	Harrah	05/25/2017
Timothy W. Everett	Ft. Gibson	05/08/2020

e. Death Benefit:

<u>Name</u>	<u>City</u>
Sheree Jones, widow of Jeffrey Jones	Oklahoma City
Derek L. Schmidt, Personal Rep. of William A. Wilbanks	Tulsa
Josephine C. Watson, widow of Fred J. Watson	Tulsa
April M. Danahy, widow of Michael A. Danahy	Enid
Rodney L. Brook, widower of Roberta L. Whyman-Brook	Muskogee
Ann M. Coffia, widow of Bob J. Coffia	Oklahoma City
Wyonette Nutt, widow of James R. Nutt	Oklahoma City

f. Continuation of Benefit:

<u>Name</u>	<u>City</u>
Sheree Jones, widow of Jeffrey Jones	Oklahoma City
Josephine C. Watson, widow of Fred J. Watson	Tulsa
April M. Danahy, widow of Michael A. Danahy	Enid
Rodney L. Brook, widower of Roberta L. Whyman-Brook	Muskogee
Ann M. Coffia, widow of Bob J. Coffia	Oklahoma City
Wyonette Nutt, widow of James R. Nutt	Oklahoma City

g. Termination of Benefit:

<u>Name</u>	<u>City</u>
William A. Wilbanks	Tulsa

Motion by Craig Akard and second by Tony Davenport 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, Brandy Manek,, Ryan Perkins, Rick Smith, W.B. Smith, Frank Stone, Jeff Pierce and Tim Foley. Absent: Susan Knight and Andy McPherson. Motion Carried.

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**TOBIAS FREDERICK, OKLAHOMA CITY – REQUEST TO BUY BACK PRIOR SERVICE WHILE EMPLOYED WITH THE MOORE POLICE DEPARTMENT FROM 11/4/1991 TO 1/14/1994. BOARD TO TAKE APPROPRIATE ACTION AS DEEMED NECESSARY.**

Motion by W.B. Smith and second by Tony Davenport to approve request to buy back prior service while employed with the Moore Police Department. Ayes: Craig Akard, Tom Custer, Tony Davenport, Jim Keesee, Brandy Manek,, Ryan Perkins, Rick Smith, W.B. Smith, Frank Stone, Jeff Pierce and Tim Foley. Absent: Susan Knight, and Andy McPherson. Motion Carried.

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**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 February 2014 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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**CITY OF SAVANNA– RESOLUTION TO AFFILIATE AND JOIN THE OKLAHOMA POLICE PENSION AND RETIREMENT SYSTEM. BOARD TO TAKE APPROPRIATE ACTION AS DEEMED NECESSARY.**

Motion by Tony Davenport and second by Jeff Pierce to approve the City of Savanna’s resolution to affiliate and join the Oklahoma Police Pension and Retirement System. Ayes: Craig Akard, Tom Custer, Tony Davenport, Jim Keesee, Brandy Manek,, Ryan Perkins, Rick Smith, W.B. Smith, Frank Stone, Jeff Pierce and Tim Foley. Absent: Susan Knight and Andy McPherson. Motion Carried.

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**REVIEW OF BILLS INTRODUCED BY THE HOUSE OF REPRESENTATIVES AND THE SENATE WHICH WOULD IMPACT THE OKLAHOMA POLICE PENSION AND RETIREMENT SYSTEM AND/OR OTHER STATE RETIREMENT SYSTEMS**

Mr. Steven Snyder reviewed the Board Info Bill Portfolio, a copy of which is attached as Exhibit “G”. It contained 12 bills that related to pension systems. Mr. Snyder advised the board that HB2581 and SB1897 were dead. He also stated that SB212 was the OPPRS tax bill.

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**CONSIDERATION AND VOTE ON WHETHER TO RENEW OR TERMINATE CONTRACTS FOR THE FOLLOWING PROFESSIONAL SERVICES:**

- a. BYN Mellon Trust – Custodial Services
- b. Asset Consulting Group, Inc. – Investment Consulting Services
- c. Buck Consultants – Actuarial Services
- d. Finley & Cook, PLLC – Auditing Services

- e. Davis Graham & Stubbs LLP – Legal Services (Tax/Litigation)
- f. Wiggins Properties – Property Management Services
- g. Oklahoma Attorney General – Legal Services

Motion by W.B. Smith and second by Tony Davenport to renew the professional service contracts listed (a-g). Ayes: Craig Akard, Tom Custer, Tony Davenport, Jim Keesee, Brandy Manek,, Ryan Perkins, Rick Smith, W.B. Smith, Frank Stone, Jeff Pierce and Tim Foley. Absent: Susan Knight, and Andy McPherson. Motion Carried.

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**CONSIDERATION AND VOTE ON WHETHER TO RENEW OR TERMINATE CONTRACTS FOR THE FOLLOWING INVESTMENT MANAGERS:**

**International Equity:**

- Actis, LLP
- Baring Investment Series, LLC.
- Mondrian Investment Partners
- Vontobel Asset Management, Inc.
- Wasatch Advisors

**Domestic Equity:**

- Boston Partners Asset Management L. P.
- Cortina Capital

**Long/Short Equity:**

- Grosvenor Long/Short Equity Fund, Ltd.
- Grosvenor Class-B

**Index Fund:**

- Mellon Capital Management

**Global Fixed Income:**

- Agincourt Capital Management LLP
- Oaktree Capital Management LLC
- Loomis Sayles

**Low Volatility**

- Pacific Alternative asset Management Company (PAAMCO)

**Real Assets:**

- MLM Macro – Peak Partners L.P.
- J.P. Morgan Asset Management
- Siguler Guff
- TA Associates Realty X
- Cerberus III – Real Estate

Motion by W.B. Smith and second by Craig Akard to renew the investment managers contracts listed. Ayes: Craig Akard, Tom Custer, Tony Davenport, Jim Keesee, Brandy Manek,, Ryan Perkins, Rick Smith, W.B. Smith, Frank Stone, Jeff Pierce and Tim Foley. Absent: Susan Knight and Andy McPherson. Motion Carried.

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**LITIGATION REPORT – PROPOSED EXECUTIVE SESSION, IF DEEMED NECESSARY BY LEGAL COUNSEL TO DISCUSS CASE NO. 8703-VCL, 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); CASE NO. 1:11-CV-08066-JGK, IN RE OPPRS V. U.S. BANK NATIONAL ASSOCIATION, ( UNITED STATES DISTRICT COURT, SOUTHERN DISTRICT OF NEW YORK); 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. Mr. Snyder advised that this was the last month Career Education would be on the agenda as it was in the final distribution stages and OPPRS should have their payout no later than April 4, 2014.

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**NEW BUSINESS**

Ryan Perkins asked that the April agenda include discussion and possible action items for going out for RFP for actuary services and investment consultant services.

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**BOARD MEMBERS' REPORTS**

No Board Member Reports

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

Mr. Snyder advised the board that NCPERS would be held in Chicago, IL, April 27 – May 1, 2014, IFEBP would be in Boston, MA in October 12-15 2014, and OPFTEC would be in Norman, OK September 24-26, 2014.

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**DIRECTOR'S REPORT**

Mr. Snyder reported that Nomination Petitions has been returned, District 6 – Jeff Pierce drew no opponent. However District 3, drew Rick Smith and Jamie Noe. Mr. Snyder advised that ballots would be mailed to District 3 members on Friday and would be due back to Finley and Cook on April 18, 2014. He stated the April Managers Meeting Dinner would be at Mickey Mantles. He also advised that board member should be receiving Ethics Commission Forms and they needed to be returned by May 15<sup>th</sup>.

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The meeting was adjourned at approximately 9:44 a.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 DARCI GORDON, ADMINISTRATIVE OFFICER.