

**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**

NOVEMBER 28, 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, November 28, 2012, in the Board Room of the Oklahoma Police Pension and Retirement System.

MEMBERS PRESENT: Tom Custer, Tony Davenport, Jim Keesee, Charles Kerr, Andy McPherson, 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; Deric Berousek, Chief Financial Officer; Kim Heaton, Attorney General's Office; George Tarlas, Asset Consulting Group; Tom Janisch, Asset Consulting Group; and David Wiggins.

MEMBERS ABSENT: Craig Akard, Susan Knight, Brandy Manek and Ryan Perkins

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Note Susan Knight arrived at approximately 9:05 a.m. and Brandy Manek arrived at approximately 9:24 a.m.

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APPROVAL OF MINUTES OF BOARD MEETING HELD OCTOBER 17, 2012

Motion by W.B. Smith and second by Randy Scott to approve the Minutes of the Regular Board Meeting held October 17, 2012. Ayes: Tom Custer, Tony Davenport, Jim Keesee, Charles Kerr, Andy McPherson, Randy Scott, Rick Smith, W. B. Smith and Frank Stone. Absent: Craig Akard, Susan Knight, Brandy Manek and Ryan Perkins. Motion Carried.

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HEARING: CASE NO. OPPRB 12-04, MUNICIPALITY APPLICATION FOR DISABILITY BENEFIT IN LINE OF DUTY FOR DAVID WIGGINS, LAWTON

Mr. David Wiggins was in attendance at the hearing and 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 November 1, 2012
- Exhibit 2 – Municipality Application for Disability Benefit in Line of Duty, dated May 8, 2012
- Exhibit 3 – Physicians disability Statement from Dr. James M. Odor, dated February 22, 2012
- Exhibit 4 – Letter from the City of Lawton stating there was no position for the officer, dated May 8, 2012
- Exhibit 5 – Medical Report from Dr. John Munneke, dated September 17, 2012

Mr. David Wiggins did testify before the board and stated that he had no opposition to the City of Lawton's Municipality Application for Disability Benefit in Line of Duty.

Motion by Rick Smith and second by Randy Scott to go into Executive Session (at approximately 9:20 am). Ayes: Tom Custer, Tony Davenport, Jim Keese, Charles Kerr, Susan Knight, Randy Scott, Rick Smith, W. B. Smith and Frank Stone. Absent: Craig Akard, Andy McPherson, Brandy Manek and Ryan Perkins. Motion Carried.

Motion by W.B. Smith and second by Randy Scott to go back into Open Session (at approximately 9:25 am). Ayes: Tom Custer, Tony Davenport, Jim Keese, Charles Kerr, Susan Knight, Andy McPherson, Randy Scott, Rick Smith, W. B. Smith and Frank Stone. Absent: Craig Akard, Brandy Manek and Ryan Perkins. Motion Carried.

Motion by Tony Davenport and second by Rick Smith to award Mr. David Wiggins a disability benefit in line of duty based on an impairment of 61% to the whole person which equates to 75% of the normal disability retirement. Ayes: Tom Custer, Tony Davenport, Jim Keese, Charles Kerr, Susan Knight, Andy McPherson, Randy Scott, Rick Smith, W. B. Smith and Frank Stone. Absent: Craig Akard, Brandy Manek, and Ryan Perkins. Motion Carried.

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HEARING: CASE NO. OPPRB 12-08, APPLICATION FOR DISABILITY BENEFIT IN LINE OF DUTY FOR CYNTHIA MADDUX, MIDWEST CITY

Ms. Cynthia Maddux was not in attendance at the hearing nor represented by legal counsel. She did receive adequate notice of the hearing.

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 November 19, 2012
- Exhibit 2 – Application for Disability Benefit in Line of Duty, dated September 12, 2012
- Exhibit 3 – Letter from the City of Midwest City stating there was no position for the officer, dated September 11, 2012
- Exhibit 4 – Physicians disability Statement from Dr. Keith Underhill, dated July 30, 2012
- Exhibit 5 – Medical Report from Dr. LeRoy E. Young, dated November 19, 2012

Motion by Randy Scott and second by Tony Davenport to go into Executive Session (at approximately 9:25 am). Ayes: Tom Custer, Tony Davenport, Jim Keese, Charles Kerr, Susan Knight, Brandy Manek, Andy McPherson, Randy Scott, Rick Smith, W. B. Smith and Frank Stone. Absent: Craig Akard and Ryan Perkins. Motion Carried.

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

Motion by W.B. Smith and second by Tony Davenport to award Ms. Cynthia Maddux a disability benefit in line of duty based on an impairment of 25% to the whole person which equates to 50% of the normal disability retirement. Ayes: Tom Custer, Tony Davenport, Jim Keesee, Charles Kerr, Susan Knight, Brandy Manek, Andy McPherson, Randy Scott, Rick Smith, W. B. Smith and Frank Stone. Absent: Craig Akard and Ryan Perkins. 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>
Wade A. Suffron	Alva
Marcus A. Cathey	Atoka
James S. Bonds	Elk City
Michele E. James	Enid
Travis J. McDowell	Guymon
Richard C. Hall	Henryetta
Cody J. Henry	Hugo
Casey M. Giza	Moore
David W. Grant	Moore
Crystal A. Landowski	Moore
Jorge K. Howard	Perkins
Russell K. Ross	Prague
Nathan J. Reed	Pryor
Travis D. Wise	Sulphur
Kelly B. Perkinson	Tishomingo
Alexander D. Peters	Tuttle
Adam L. Martin	Woodward
Timothy J. Spencer	Comanche
Willie J. Shaw, III	Hobart
Dereck O. Hickman	Lindsay
Garrett D. Friddle	Nowata
Andrea K. Fox	Oklahoma City
Bradley R. May	Oklahoma City
Christopher O. Scott	Oklahoma City
Travis J. Vernier	Oklahoma City
Trent A. Humphrey	Pryor
Chuck J. Ward	Pryor
Tyler R. Detring	Sand Springs

b. Application for Refund of Contributions

<u>Name</u>	<u>City</u>
Robert M. Johnson	Bartlesville
Jamie Guinn	Chickasha
Courtney Bonnett	Enid
Zachary T. Chael	Enid
Patrick McMichael	Enid

Joseph Vaverka	Enid
Eric M. Smith	Frederick
Christopher Kluever	Norman
Jeremy R. Anglin	Oklahoma City
Gregg D. Neuman	Oklahoma City
Justin L. Near	Owasso
Amanda L. Batt	Claremore
Matt S. Varney	Enid
Jason A. Lay	Tonkawa

c. Application for Deferred Option Plan:

<u>Name</u>	<u>City</u>	<u>Eff. Date</u>
Harold R. Rumsey	Sapulpa	01/01/2013

d. 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>
William J. City	Oklahoma City	12/01/2007	12/01/2012
Darryl G. Coats	Oklahoma City	10/01/2009	11/01/2012
Marval A. Kreft	Oklahoma City	04/01/2010	11/01/2012
Elizabeth J. Lewis	Oklahoma City	10/01/2009	11/01/2012
Edward Boese	Stillwater	07/01/2008	12/01/2012
Lonnell M. Patrick	Tulsa	04/01/2009	11/01/2012

e. Application for Service Pension:

<u>Name</u>	<u>City</u>	<u>Eff. Date</u>
Michael E. Turner	Altus	01/01/2013
Charles T. Palmer	Lawton	09/01/2012
Darry Stacy	Norman	12/01/2012

f. Death Benefit:

<u>Name</u>	<u>City</u>
Rose L. Allen, widow of Henry C. Allen	Ada
Angela S. Russell, widow of Terry W. Russell	Sapulpa
Susanna E. Boggs, Personal Rep. of Roy V. Lofton	Tulsa
Sharron F. Moriarty, widow of Danny R. Moriarty	Duncan
Joyce E. Hiltibrand, widow of Bruce D. Hiltibrand	Tulsa

g. Continuation of Benefit:

<u>Name</u>	<u>City</u>
Rose L. Allen, widow of Henry C. Allen	Ada
Angela S. Russell, widow of Terry W. Russell	Sapulpa
Sharron F. Moriarty, widow of Danny R. Moriarty	Duncan
Joyce E. Hiltibrand, widow of Bruce D. Hiltibrand	Tulsa

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

<u>Name</u>	<u>City</u>
Jean Groom, Person Rep. of Wanda Stout	Guthrie
Karen Whitaker, Personal Rep. of Eva J. Garrett	Tulsa
Susanna E. Boggs, Personal Rep. of Roy V. Lofton	Tulsa

- i. Termination of Benefit:

<u>Name</u>	<u>City</u>
Wanda Stout	Guthrie
Eva J. Garrett	Tulsa
Roy V. Lofton	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. Ayes: Tom Custer, Tony Davenport, Jim Keesee, Charles Kerr, Susan Knight, Brandy Manek, Andy McPherson, Randy Scott, Rick Smith, W. B. Smith and Frank Stone. Absent: Craig Akard and Ryan Perkins. 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 October 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 OCTOBER 31, 2012, QUARTERLY REPORT FOR QUARTER 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. George Tarlas briefly reviewed the ASAP report for the month ended October 31, 2012, a copy of which is attached as Exhibit "E". As of October 31, 2012, the total Fund was approximately \$1,843,461.00. The one-year return net of fees for the total Fund is 8.86%.

Mr. Tarlas also reviewed the Quarterly Report for Quarter ended September 30, 2012, a copy of which is attached as Exhibit "F".

Mr. Tarlas stated the bonds and equity were over allocated due to the restructuring of the portfolio but that long term results were still hitting the targets. He said we were also seeing positive results from all portfolio components.

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GROSVENOR CAPITAL MANAGEMENT – DISCUSSION AND POSSIBLE VOTE ON SELECTION OF LONG/SHORT EQUITY MANAGERS FOR SHARE CLASS B, OF GROSVENOR LONG/SHORT EQUITY FUND. BOARD TO TAKE APPROPRIATE ACTION AS DEEMED NECESSARY.

Mr. David Richter and Mr. Tom Meagher with Grosvenor Capital Management reviewed the Proposed OPPRS Portfolios, a copy of which is attached as Exhibit “G”, with the board.

Motion by Tony Davenport and second by Andy McPherson to transfer Class A shares to the following Class B Funds; AKO Fund Limited, Tremblant Concentrated Fund Ltd., Trian Partners Ltd., Cevian Capital II Ltd., Ayes: Tom Custer, Tony Davenport, Jim Keesee, Charles Kerr, Susan Knight, Brandy Manek, Andy McPherson, Randy Scott, Rick Smith, W. B. Smith and Frank Stone. Absent: Craig Akard and Ryan Perkins. 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. Steve Snyder reviewed with the board the proposed changes to 550:1-7-5, 550:15-1-2, and 550:15-1-3.

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

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CONSIDERATION AND VOTE CONCERNING SETTING THE BOARD MEETING DATES FOR CALENDAR YEAR 2013.

Motion by W.B. Smith and second by Charles Kerr setting the board meeting dates for calendar year 2013. Ayes: Tom Custer, Tony Davenport, Jim Keesee, Charles Kerr, Susan Knight, Brandy Manek, Andy McPherson, Randy Scott, Rick Smith, W. B. Smith and Frank Stone. Absent: Craig Akard and Ryan Perkins. Motion Carried.

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TRUSTEE EDUCATION SESSION – PRESENTATION, FOR INFORMATIONAL PURPOSES ONLY, REGARDING SYSTEM BENEFITS, STRUCTURE , AND FINANCIAL STATISTICS

Mr. Snyder briefly discussed the system benefits, structure and financial statistics of the system Report is attached as Exhibit “H “.

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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.

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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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DISCUSS AND POSSIBLE VOTE TO AUTHORIZE THE OKLAHOMA POLICE PENSION & RETIREMENT SYSTEM TO INITIATE LEGAL ACTION AND SEEK LEAD PLAINTIFF STATUS AGAINST ABIOMED, INC. UTILIZING BLOCK & LEVITON, LLP. BOARD TO TAKE APPROPRIATE ACTION AS DEEMED NECESSARY.

Motion by W.B. Smith and second by Tony Davenport to authorize the Oklahoma Police Pension & Retirement System to initiate legal action and seek lead plaintiff status against Abiomed, Inc., utilizing Block and Leviton, LLP. Ayes: Tom Custer, Tony Davenport, Jim Keese, Charles Kerr, Susan Knight, Brandy Manek, Andy McPherson, Randy Scott, Rick Smith, W. B. Smith and Frank Stone. Absent: Craig Akard and Ryan Perkins. Motion Carried.

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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.

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DIRECTOR'S REPORT

Mr. Snyder reported that the Annual Christmas Breakfast would be in the lobby next month before the board meeting. The Annual Reports and Pension Books had been mailed to those who requested them and OPPRS had secured legislative authors in Sen. Brown and Rep. Randy McDaniel. He also advised that 2013 IFEBP Conference would be in Las Vegas. NV and if any board members wanted to attend they needed to let OPPRS staff know ASAP in order to secure rooms.

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PHILLIP RATLIFF, JR., EL RENO – REQUEST TO BUY BACK PRIOR SERVICE WHILE EMPLOYED WITH THE EL RENO POLICE DEPARTMENT FROM 9/7/1996 TO 3/1/2001. 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 El Reno Police Department from 9/7/1996 to 3/1/2001. Ayes: Tom Custer, Tony Davenport, Jim Keesee, Charles Kerr, Susan Knight, Brandy Manek, Andy McPherson, Randy Scott, Rick Smith, W. B. Smith and Frank Stone. Absent: Craig Akard and Ryan Perkins. Motion Carried.

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ROBERT GROSECLOSE, NICOMA PARK – REQUEST TO RESCIND APPLICATION FOR VESTED BENEFIT APPROVED ON 9/16/2009. BOARD TO TAKE APPROPRIATE ACTION AS DEEMED NECESSARY.

Motion by W.B. Smith and second by Andy McPherson to approve request to rescind Application for Vested Benefit approved on 9/16/2009. Ayes: Tom Custer, Tony Davenport, Jim Keesee, Charles Kerr, Susan Knight, Brandy Manek, Andy McPherson, Randy Scott, Rick Smith, W. B. Smith and Frank Stone. Absent: Craig Akard and Ryan Perkins. Motion Carried.

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BILLY T FARLEY, TISHOMINGO – REQUEST TO RESCIND APPLICATION FOR VESTED BENEFIT APPROVED ON 3/21/2001 AND APPROVE APPLICATION FOR PARTICIPATION. BOARD TO TAKE APPROPRIATE ACTION AS DEEMED NECESSARY.

Motion by Andy McPherson and second by W.B. Smith to approve request to rescind Application for Vested Benefit approved on 3/21/2001 and approve Application for Participation. Ayes: Tom Custer, Tony Davenport, Jim Keesee, Charles Kerr, Susan Knight, Brandy Manek, Andy McPherson, Randy Scott, Rick Smith, W. B. Smith and Frank Stone. Absent: Craig Akard and Ryan Perkins. Motion Carried.

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The meeting was recessed at approximately 11:00 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 DARCI GORDON, ADMINISTRATIVE OFFICER.