

**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**

APRIL 20, 2016

The regular meeting of the Oklahoma Police Pension and Retirement Board was called to order by Chairman Jeff Pierce at approximately 10:00 a.m. on Wednesday, April 20, 2016, in the Board Room of the Oklahoma Police Pension and Retirement System.

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

OTHERS: Steven K. Snyder, Executive Director; Darcie Gordon, Administrative Officer; Lauren Holmes, Administrative Assistant; Kim Heaton, Attorney General's Office; George Tarlas and Joe Nugent, Asset Consulting Group; Daniel Roytman, Smolen, Smolen, Roytman; Shad Rhames and Lee Anne Rothrock.

MEMBERS ABSENT: Brandy Manek and Ryan Perkins

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APPROVAL OF MINUTES OF REGULAR BOARD MEETING HELD MARCH 23, 2016

Motion by W.B. Smith and second by Jim Keesee to approve the Minutes of the Regular Board Meeting held March 23, 2016. Ayes: Craig Akard, Tom Custer, Tony Davenport, Jim Keesee, Susan Knight, Rick Smith, W.B. Smith, Frank Stone, Jeff Pierce, and Tim Foley. Abstain: Andy McPherson. Absent: Brandy Manek and Ryan Perkins. Motion Carried.

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HEARING: CASE NO. OPRB 13-08, APPLICATION FOR DISABILITY BENEFIT IN LINE OF DUTY FOR LEE ANNE ROTHROCK, JENKS.

Ms. Lee Anne Rothrock was present and was not represented by counsel.

Mr. Steven Snyder introduced the following Exhibits 1-8 for the record.

- OPRB Exhibit #1 – Notice of Hearing, dated December 31, 2015
- OPRB Exhibit #2 – Application for Disability Benefit In Line of Duty, dated November 10, 2015
- OPRB Exhibit #3 – No Position letter from the City of Jenks, dated Feb 14, 2014
- OPRB Exhibit #4 – Report from Dr. William Gillock, dated September 24, 2015 (9 pages)
- OPRB Exhibit #5 – Email to Dr. Gillock about report, dated October 16, 2015
- OPRB Exhibit #6 – Letter from Dr. Gillock in response to email, dated October 23, 2015 (2 pages)
- OPRB Exhibit #7 – Report from Dr. M. Stephen Wilson, dated July 29, 2015 (8 pages)
- OPRB Exhibit #8 – Report from Dr. John Munneke, dated March 23, 2016 (9 pages)

Motion by Tony Davenport and second by Jim Keesee to enter into Executive Session (at approx. 10:10am). Ayes: Craig Akard, Tom Custer, Tony Davenport, Jim Keesee, Susan Knight, Andy McPherson, Rick Smith, W.B. Smith, Frank Stone, Jeff Pierce, and Tim Foley. Absent: Brandy Manek and Ryan Perkins. Motion Carried.

Motion by Tony Davenport and second by Andy McPherson to enter into Open Session (at approx. 10:32am). Ayes: Craig Akard, Tom Custer, Tony Davenport, Jim Keesee, Susan Knight, Andy McPherson, Rick Smith, W.B. Smith, Frank Stone, Jeff Pierce, and Tim Foley. Absent: Brandy Manek and Ryan Perkins. Motion Carried.

Motion by W.B. Smith and second by Tom Custer to award Ms. Lee Anne Rothrock a 63% impairment rating which equals a 75% disability benefit. Ayes: Craig Akard, Tom Custer, Tony Davenport, Jim Keesee, Susan Knight, Andy McPherson, Rick Smith, W.B. Smith, Frank Stone, Jeff Pierce, and Tim Foley. Absent: Brandy Manek and Ryan Perkins. Motion Carried.

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HEARING: CASE NO. OPRB 15-05, MUNICIPALITY APPLICATION FOR DISABILITY BENEFIT IN LINE OF DUTY FOR SHAD RHAMES, BIXBY.

Mr. Shad Rhames was present and was represented by counsel, Daniel Roytman of Smolen, Smolen, Roytman.

Mr. Roytman requested a continuance based on the fact that proper notice of hearing was not given to Mr. Rhames' counsel.

Motion by Tony Davenport and second by Andy McPherson to continue OPRB 15-05 until June 15, 2016. Ayes: Craig Akard, Tom Custer, Tony Davenport, Jim Keesee, Susan Knight, Andy McPherson, Rick Smith, W.B. Smith, Frank Stone, Jeff Pierce, and Tim Foley. Absent: Brandy Manek 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>
Jode Terbush	Altus
Christopher L. Harding	Bethany
Tharol B. Oxley	Bethany
Magdalene Perry	Chickasha
Taylor T. Woods	Chickasha
Kevin B. Arnold	Duncan
Tanner C. Austin	Enid
James M. Caraglin	Enid
Jacob A. Swan	Enid
Mark Tansey	Enid
Elijah G. Presley	Henryetta
Daniel J. McHenry	McAlester
Jeremy L. Pierce	McAlester
Trey D. Roberts	McAlester

Ryan W. Weldon	Midwest City
Michelle L. Casady	Muskogee
Tyler G. Griffith	Muskogee
Shane L. Leach	Muskogee
Travis W. Potts	Muskogee
Gary W. Reasnor	Muskogee
Brian M. Webb	Nowata
Jared G. Barton	Oklahoma City
Matthew D. Bermel	Oklahoma City
Randall P. Body	Oklahoma City
Austin C. Brackeen	Oklahoma City
Cameron M. Burwell	Oklahoma City
Justin M. Calvert	Oklahoma City
Joshua R. Condon	Oklahoma City
Braden A. Downs	Oklahoma City
Shane C. Dusold	Oklahoma City
Sean M. Fitzgerald	Oklahoma City
David M. Foley	Oklahoma City
Alex H. Gibbs	Oklahoma City
Jerry L. Grayson, II	Oklahoma City
Bennett T. Hall	Oklahoma City
Jon W. Hawkins	Oklahoma City
Elizabeth C. Hurd	Oklahoma City
Trayvion A. Jones	Oklahoma City
Robert F. Juby	Oklahoma City
Dylan K. McGill	Oklahoma City
Austin P. McKanna	Oklahoma City
Joel A. Otuno	Oklahoma City
Bandy J. Rackley	Oklahoma City
Benjamin J. Ramsey	Oklahoma City
William J. Reyes	Oklahoma City
Matthew D. Richardson	Oklahoma City
Frederick K. Schwarz, III	Oklahoma City
Joshua A. Scott	Oklahoma City
Travis M. Teague	Oklahoma City
Eric D. Welch	Ponca City
Joshua Vanoort	Purcell
Noah E. Lethermon	Sand Springs
Michael B. Mason	Seminole
Joshua C. Soward	Shawnee
Justin M. Terney	Tecumseh
Chance D. Avery	The Village
Lukas C. Cary	The Village
Kaitlyn D. Collier	Tuttle
Philip R. Sheridan	Watonga
Casey J. Clark	Weatherford

b. Application for Refund of Contributions:

<u>Name</u>	<u>City</u>
Sarah R. Young	Cushing
Taylor G. Pierce	Edmond
Matthew Lott	Ft. Gibson
Lee C. Phillips	Ft. Gibson
Matt Griffith	Harrah
Shawn R. Burroughs	Lawton
Justin Wicks	Norman
Thomas J. Campbell	Nowata
Jeremy Hanes	Oklahoma City
Elliott M. Lindsey	Ponca City
Bradley Cook	Poteau
Ronald A. Davis	Prague
Johnathan Stryker	Sayre
Christopher T. Epperley	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>
Darin Morris	Enid	05/01/2011	05/01/2016
Ricky M. Weaver	Jenks	05/01/2011	05/01/2016
David F. Brewer, II	Oklahoma City	05/01/2011	05/01/2016
Michael E. Moses	Oklahoma City	05/01/2011	05/01/2016
Earl Newton	Oklahoma City	06/01/2011	06/01/2016
Jerry G. Burrow	Stillwater	05/01/2011	05/01/2016
Tonya C. Bull	Tulsa	05/01/2011	05/01/2016
Paul A. Melchior	Tulsa	04/01/2011	04/01/2016
Victor M. Regalado, Jr.	Tulsa	05/01/2014	05/01/2016
Lesley R. Young	Tulsa	04/01/2011	04/01/2016

d. Application for Service Pension:

<u>Name</u>	<u>City</u>	<u>Eff. Date</u>
Brandon Gilstrap	Broken Arrow	05/01/2016

e. Application for Vested Benefit:

<u>Name</u>	<u>City</u>	<u>Eff. Date</u>
Cecil D. Moss	Oklahoma City	09/27/2022

f. Death Benefit:

<u>Name</u>	<u>City</u>
Betty A. Williams, widow of Frank G. Williams	Lawton
Melinda Hawkins, widow of Douglas G. Hawkins	Oklahoma City
Etta T. Minor, widow of William M. Minor	Oklahoma City
Jane E. Ballentine, widow of Roy E. Ballentine	Tulsa

Johnny D. Williams, Personal Rep. of Bobby W. Williams	Nichols Hills
Glenn R. Christian, Jr., Personal Rep. of Glenn R. Christian	Oklahoma City

g. Continuation of Benefit:

<u>Name</u>	<u>City</u>
Betty A. Williams, widow of Frank G. Williams	Lawton
Melinda Hawkins, widow of Douglas G. Hawkins	Oklahoma City
Etta T. Minor, widow of William M. Minor	Oklahoma City
Jane E. Ballentine, widow of Roy E. Ballentine	Tulsa

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

<u>Name</u>	<u>City</u>
David Barnes, Personal Rep. of Kathryn Barnes	Oklahoma City

i. Termination of Benefit:

<u>Name</u>	<u>City</u>
Bobby W. Williams	Nichols Hills
Kathryn Barnes	Oklahoma City
Glenn R. Christian	Oklahoma City

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. Ayes: Craig Akard, Tom Custer, Tony Davenport, Jim Keesee, Susan Knight, Andy McPherson, Rick Smith, W.B. Smith, Frank Stone, Jeff Pierce, and Tim Foley. Absent: Brandy Manek 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 March 2016 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 MARCH 31, 2016 AND DISCUSSION ON REBALANCING PORTFOLIO ASSETS AMONG VARIOUS ASSET STRATEGIES AND MANAGERS; BOARD TO TAKE APPROPRIATE ACTION AS DEEMED NECESSARY.

Mr. George Tarlas reviewed the ASAP report for the month ended March 31, 2016, a copy of which is attached as Exhibit "E". As of March 31, 2016 the total Fund was approximately \$2,150,879,000.00. The one-year return net of fees for the total Fund is -1.43%.

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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 presented Oklahoma Police Pension and Retirement System Private Equity Review and Recommendations, dated April 20, 2016. A copy is attached as Exhibit “F”. Mr. Nugent stated it was the recommendation of Asset Consulting Group to invest \$7,500,000.00 in FirstMark Capital Fund IV, L.P. and \$7,500,000.00 in FirstMark Capital Opportunity Fund II, L.P.

Motion by Tony Davenport and second by Craig Akard to invest \$7,500,000.00 in FirstMark Capital Fund IV, L.P. and \$7,500,000.00 in FirstMark Capital Opportunity Fund II, L.P.. Ayes: Craig Akard, Tom Custer, Tony Davenport, Jim Keese, Susan Knight, Andy McPherson, Rick Smith, W.B. Smith, Frank Stone, Jeff Pierce, and Tim Foley. Absent: Brandy Manek and Ryan Perkins. Motion Carried.

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LITIGATION REPORT – PROPOSED EXECUTIVE SESSION, IF DEEMED NECESSARY BY LEGAL COUNSEL TO DISCUSS CASE NO. CIV536013, IN RE SIENTRA, INC. (SUPERIOR COURT OF THE STATE OF CALIFORNIA, COUNTY OF SAN MATEO); CASE NO. 15-CV-07759-LAK IN RE FIFTH STREET FINANCE CORP. (UNITED STATES DISTRICT COURT, SOUTHERN DISTRICT OF NEW YORK); CASE NO. 2:15-CV-01398-SRB, IN RE LIFELOCK, INC. (UNITED STATES DISTRICT COURT, DISTRICT OF ARIZONA); CASE NO. 3:15-CV-01797, IN RE MAGNACHIP SEMICONDUCTOR CORP. (UNITED STATES DISTRICT COURT, NORTHERN DISTRICT OF CALIFORNIA); NO. 1:15-CV-00679, IN RE BOULDER BRANDS, INC. (UNITED STATES DISTRICT COURT, DISTRICT OF COLORADO); CASE NO. 1:14-CV-10136-GBD, IN RE RCS CAPITAL CORP. (UNITED STATES DISTRICT COURT, SOUTHERN DISTRICT OF NEW YORK); NO. 3:15-CV-01106, IN RE EHEALTH, INC. (UNITED STATES DISTRICT COURT, NORTHERN DISTRICT OF CALIFORNIA); CASE NO. 1:14-CV-01997-LAK, IN RE WEIGHT WATCHERS INTERNATIONAL, INC. (UNITED STATES DISTRICT COURT, SOUTHERN DISTRICT OF NEW YORK); CASE NO. 5:12-CV-00195-KKC, IN RE LAYDON VS. MIZUHO BANK, LTD. ET AL. (TIBOR LITIGATION) (UNITED STATES DISTRICT COURT, SOUTHERN DISTRICT OF NEW YORK); CASE NO. 1:15-CV-08149, OKLAHOMA POLICE PENSION AND RETIREMENT SYSTEM VS. BANK OF NOVA SCOTIA ET.AL (UNITED STATES DISTRICT COURT, SOUTHERN DISTRICT OF NEW YORK); CASE NO. 4:15-CV-03327, IN RE FLOTEK INDUSTRIES, INC. ET AL. (UNITED STATES DISTRICT COURT SOUTHERN DISTRICT OF TEXAS HOUSTON DIVISION); 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 stated that all the cases were status quo.

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NEW BUSINESS

Mr. Steven Snyder advised that six Applications for Participation, from Oklahoma City, had been received this morning for approval. The applications are for; Meagan R. Burke, Daniel P. Duarte, Kaeleb M. Folmar, Eric R. Long, Daniel Lopez, and Bshon J. Rhone.

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

Mr. George Tarlas advised the board that an issue had come up and OPPRS needed to redeem \$60,000,000.00 from PAAMCO.

Motion by W.B. Smith and second by Craig Akard to approve redemption of \$60,000,000.00 from PAAMCO. Ayes: Craig Akard, Tom Custer, Tony Davenport, Jim Keesee, Susan Knight, Andy McPherson, Rick Smith, W.B. Smith, Frank Stone, Jeff Pierce, and Tim Foley. Absent: Brandy Manek and Ryan Perkins. Motion Carried.

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BOARD MEMBERS' REPORTS

Mr. Tom Custer asked that an agenda item to promulgate rules to clarify the disability process be placed on the May agenda.

Mr. Jeff Pierce commended Sean Ruark for the retirement seminar he recently put on in Oklahoma City.

Mr. Andy McPherson advised that he had been promoted to a new position and is currently working to arrange his schedule so he can attend the board meetings.

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

Mr. Steven Snyder advised the board of the following conferences:

- NCPERS Annual Conference
 - May 15-19, 2016 – San Diego, CA
- OPFTEC
 - September 28-30, 2016 – Tulsa Renaissance Hotel
- NCPERS Public Safety Conference
 - October 23-26, 2016 – Las Vegas, NV
- IFEBP Annual Conference & CAPPP Part I
 - November 13 - November 16, 2016 – Orlando, FL
- IFEBP – CAPPP (Part I & II)
 - June 7-10, 2016 – Boston, MA

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DIRECTOR'S REPORT

Mr. Snyder advised the board that the Annual Tenant Appreciation Picnic would be in May and Ray Ix would be coming in August. He also stated that dinner would be at The Ranch Steakhouse and the afternoon session would begin promptly at 1:00pm. Mr. Snyder mentioned Ethics Commission Financial Disclosures were due by May 16, 2016. He also advised that HB2273 had been on the agenda for the Senate Floor all week and would continue to be until it was heard.

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The meeting was recessed at approximately 11:46am until 1:00pm.

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At Approximately 1:00 p.m., Chairman Jeff Pierce 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.:

Boston Partners
David Gullen

Mondrian
Stephen Starnes
Hamish Parker
Chris Davis

Loomis Sayles
Stephanie Lord

Oaktree
Andrew Watts
Russ Romero

JP Morgan
Rebekah Brown
Michael Steingo

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 The Ranch Steakhouse, 3000 W. Britton Rd, Oklahoma City, Oklahoma.

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The meeting was adjourned at approximately 4:00pm.

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.