

**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**

AUGUST 19, 2015

The regular meeting of the Oklahoma Police Pension and Retirement Board was called to order by Chairman Jeff Pierce at approximately 9:00 a.m. on Wednesday, August 19, 2015, in the Board Room of the Oklahoma Police Pension and Retirement System.

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

OTHERS: Steven K. Snyder, Executive Director; Darcie Gordon, Administrative Officer; Sean Ruark, Pension Administration Officer; Deric Berousek, Chief Financial Officer; Lauren Holmes, Administrative Assistant; Jan Preslar, Attorney General's Office; Jason Pulos, Asset Consulting Group; and Ray Ix, Mount Lucas Management, LP..

MEMBERS ABSENT: Tony Davenport

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APPROVAL OF MINUTES OF REGULAR BOARD MEETING HELD JULY 15, 2015

Motion by Tom Custer and second by W.B. Smith to approve the Minutes of the Regular Board Meeting held July 15, 2015. Ayes: Craig Akard, Tom Custer, Jim Keesee, Susan Knight, Brandy Manek, Rick Smith, W.B. Smith, Frank Stone, Jeff Pierce, and Tim Foley. Abstain: Andy McPherson and Ryan Perkins. Absent: Tony Davenport. 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>
Trevor N. Dean	Atoka
Anna K. VanDyck	Chickasha
John G. Korn	Clinton
Justin M. Berry	Commerce
Andrew J. Bollinger	Del City
Caitlin P. Drewery	Duncan
Christopher M. Jordan	Grove
Matthew D. Griffith	Harrah
Ryan K. Caldwell	Idabel
Kyle E. McDaniel	Jones
Darrel D. Burton	Lawton
James C. Carr	Lawton
Daniel J. Hallagin	Lawton
Kevin R. Standridge	Lexington
Aaron K. Aprill	Lindsay

Michael D. Mashburn	Mannford
Eric J. Doolittle	Midwest City
Jay J. Fittro	Midwest City
Veronica L. Kennedy	Muskogee
James E. Moore	Muskogee
Andrew H. Zerby	Noble
Stephyn E. Brock	Oklahoma City
Benjamin T. Cain	Oklahoma City
Caleb M. Case	Oklahoma City
Andrew P. Cessarich	Oklahoma City
Tanner C. Ferrell	Oklahoma City
James A. Herlihy	Oklahoma City
Bryan R. Hoffman	Oklahoma City
Robert J. Jenny	Oklahoma City
Abraham Luna	Oklahoma City
Olivia N. Martinez	Oklahoma City
Brandon C. McDonald	Oklahoma City
Sidney A. Peck	Oklahoma City
Lawrence W. Robinson	Oklahoma City
Clayton R. Sargeant	Oklahoma City
Kirt D. Schneringer	Oklahoma City
Frederick K. Schwarz, III	Oklahoma City
Austin C. Shilling	Oklahoma City
Clifton C. Williams	Oklahoma City
Brian R. Bruce	Pawhuska
Marc D. Harnly	Perkins
Bradley D. Warren	Poteau
Jordan L. Bumgarner	Seminole
Adam M. Good	Seminole
Anthony T. Harper	Skiatook
Pate J. Gossen	Weatherford
Kendrick A. Johnson	Weatherford
Gabriel L. Wind	Wewoka
Eric L. Haskins	Choctaw
Bradley D. Goodin	Drumright
Jason M. Buckley	Elk City
Abiguil R. McCavitt	Oklahoma City
Lacy M. Spanier	Oklahoma City
Kyle C. Wheeler	Seminole
Mike E. Weiss	Spencer

b. Application for Refund of Contributions:

<u>Name</u>	<u>City</u>
Philip R. Miller	Bartlesville
Tyrel Slagle	Bartlesville
William D. Fairchilds	Coweta
Torri Anderson	Davis
Elizabeth A. Fullbright	Del City
Richard Warner	Ft. Gibson
Christopher Talley	Haskell

Phillip J. Davis	Hobart
Cody J. Henry	Hugo
Randall Johnson	Marlow
Darrell Mowles	Moore
Bradlee Odom	Muskogee
James M. Garrison	Pauls Valley
Thaddeus Ball	Pawhuska
Brandon Dilbeck	Pawhuska
Tyler Wilson	Sallisaw
Michael B. Mason	Seminole
Steven Sample	Shawnee
Brian Randolph	Woodward
Michael L. Walker	Ada
John Cartwright	Collinsville
Dusty Phillips	Edmond
Wyatt Tilton	Newcastle
Vincent F. Alger	Noble
Joseph W. Glasco, III	Tecumseh
Joshua R. Lenz	Tecumseh
Richard S. Jasna	Wewoka

c. Terminate Deferred Option Plan to Begin Service Pension:

<u>Name</u>	<u>City</u>	<u>Eff. Date</u>
Sandra E. Kite, widow of James A. Kite	Bixby	08/01/2015

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>
Eddie R. Southard	Oklahoma City	09/01/2010	09/01/2015
Ronnie J. Davis	Sallisaw	09/01/2010	09/01/2015
Timothy Bracken	Tulsa	09/01/2010	09/01/2015
Michael G. Fitzgerald	Tulsa	08/01/2010	08/01/2015
Mark C. Robinson	Tulsa	09/01/2010	09/01/2015
Steven B. Thompson	Edmond	09/01/2010	09/01/2015
Bobby Dodd	Lawton	09/01/2010	09/01/2015
Gary A. Derksen	Midwest City	02/01/2015	09/01/2015
Larry J. Harmon	Ponca City	01/01/2014	09/01/2015

e. Application for Service Pension:

<u>Name</u>	<u>City</u>	<u>Eff. Date</u>
Durward Cook	Durant	10/01/2015
Patrick O. Pollman	Oklahoma City	08/01/2015
Austin Warfield	Bethany	08/01/2015

f. Death Benefit:

<u>Name</u>	<u>City</u>
Sandra E. Kite, widow of James A. Kite	Bixby
Randell G. Kuchynka, Personal Rep. of Tommy G. Kuchynka	Lawton

Steve Donnell, Personal Rep. of John R. Donnell	Oklahoma City
Cindy Brannon, widow of Monte Brannon	Enid
Mary L. Christian, widow of James K. Christian	Okeene
Judy Seals, widow of Charles W. Seals	Sapulpa
Sharon R. Kirkwood, widow of Herman C. Kirkwood	Oklahoma City
Robin J. Smith, Personal Rep. of Horace W. Glemboski	Oklahoma City
Catherine L. Porter, widow of Kenneth R. Porter	Ponca City

g. Continuation of Benefit:

<u>Name</u>	<u>City</u>
Cindy Brannon, widow of Monte Brannon	Enid
Mary L. Christian, widow of James K. Christian	Okeene
Judy Seals, widow of Charles W. Seals	Sapulpa
Sharon R. Kirkwood, widow of Herman C. Kirkwood	Oklahoma City
Catherine L. Porter, widow of Kenneth R. Porter	Ponca City

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

<u>Name</u>	<u>City</u>
Randell G. Kuchynka, Personal Rep. of Tommy G. Kuchynka	Lawton
Steve Donnell, Personal Rep. of John R. Donnell	Oklahoma City
Robin J. Smith, Personal Rep. of Horace W. Glemboski	Oklahoma City

i. Termination of Benefit:

<u>Name</u>	<u>City</u>
Tommy G. Kuchynka	Lawton
John R. Donnell	Oklahoma City
Horace C. Kirkwood	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 and the Addendum. Ayes: Craig Akard, Tom Custer, Jim Keesee, Susan Knight, Brandy Manek, Andy McPherson, Ryan Perkins, Rick Smith, W.B. Smith, Frank Stone, Jeff Pierce and Tim Foley. Absent: Tony Davenport. Motion Carried.

Chairman Jeff Pierce noted there was a correction to a name in Item 3(i). He stated that Horace C. Kirkwood should actually be Horace W. Glemboski.

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BILLY R. VARNEY, ENID – REQUEST TO RESCIND APPLICATION FOR VESTED BENEFIT APPROVED 08/21/2013 AND REQUEST TO APPROVE APPLICATION FOR REFUND OF CONTRIBUTIONS. BOARD TO TAKE APPROPRIATE ACTION AS DEEMED NECESSARY.

Motion by W.B. Smith and second by Tom Custer to approve request to rescind Application for Vested Benefit approved 8/21/2013 and request to approve Application for Refund of Contributions for Billy R. Varney, Enid. Ayes: Craig Akard, Tom Custer, Jim Keesee, Susan Knight, Brandy Manek, Andy McPherson, Ryan Perkins, Rick Smith, W.B. Smith, Frank Stone, Jeff Pierce and Tim Foley. Absent: Tony Davenport. 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 July 2015 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 JULY 31, 2015, QUARTERLY REPORT FOR QUARTER ENDED JUNE 30, 2015, AND DISCUSSION ON REBALANCING PORTFOLIO ASSETS AMONG VARIOUS ASSET STRATEGIES AND MANAGERS. BOARD TO TAKE APPROPRIATE ACTION AS DEEMED NECESSARY.

Mr. Jason Pulos reviewed the ASAP report for the month ended July 31, 2015, a copy of which is attached as Exhibit "E". As of July 31, 2015, the total Fund was approximately \$2,274,563,000.00. The one-year return net of fees for the total Fund is 5.61%.

Mr. Jason Pulos also reviewed the Quarterly Report for Quarter Ended June 30, 2015, a copy of which is attached as Exhibit "F".

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PROPOSED EXECUTIVE SESSION, IF DEEMED NECESSARY BY LEGAL COUNSEL TO DISCUSS POSSIBLE SECURITIES LITIGATION CLAIMS 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.

Motion by W.B. Smith and second by Craig Akard to enter into Executive Session (at 9:38am). Ayes: Craig Akard, Tom Custer, Jim Keesee, Susan Knight, Brandy Manek, Andy McPherson, Ryan Perkins, Rick Smith, W.B. Smith, Frank Stone, Jeff Pierce and Tim Foley. Absent: Tony Davenport. Motion Carried.

Motion by Rick Smith and second by Craig Akard to return into Open Session (at 9:48am). Ayes: Craig Akard, Tom Custer, Jim Keesee, Susan Knight, Brandy Manek, Andy McPherson, Ryan Perkins, Rick Smith, W.B. Smith, Frank Stone, Jeff Pierce and Tim Foley. Absent: Tony Davenport. Motion Carried.

Motion by W.B. Smith and second by Ryan Perkins to authorize the Executive Director to take appropriate action with regards to Lifelock Inc. Securities Litigation and U.S. Treasury Department Securities Litigation. Ayes: Craig Akard, Tom Custer, Jim Keese, Susan Knight, Brandy Manek, Andy McPherson, Ryan Perkins, Rick Smith, W.B. Smith, Frank Stone, Jeff Pierce and Tim Foley. Absent: Tony Davenport. Motion Carried.

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DISCUSSION AND POSSIBLE VOTE REGARDING SECURITIES LITIGATION COUNSEL SELECTION POLICY. BOARD TO TAKE APPROPRIATE ACTION AS DEEMED NECESSARY.

Mr. Steven Snyder presented to the board the Securities Monitoring and Litigation Counsel Selection Policy, a copy of which is attached as Exhibit "G". Mr. Snyder noted that he has been inundated with Securities Monitoring Firms about various cases. He felt it would be in the best interest of the agency to have a policy in place regarding the selection process.

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

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LITIGATION REPORT – PROPOSED EXECUTIVE SESSION, IF DEEMED NECESSARY BY LEGAL COUNSEL TO DISCUSS 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 STATE 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. 8703-VCL, IN RE DOLE FOOD COMPANY, INC. (STATE OF DELAWARE COURT OF CHANCERY); 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); 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 there would be no need to go into Executive Session. He stated that the Tempu-Pedic case was no longer ongoing. He also noted that OPPRS was co-lead plaintiff with CalPERS in the Laydon vs. Mizuho Bank. He stated that all the other cases were Status quo.

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NEW BUSINESS

No New Business

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BOARD MEMBERS' REPORTS

Mr. Craig Akard noted that the update of the Benefit Estimator on the Web Member Services Portal was nice and he had received good feedback. Mr. Jeff Pierce and Mr. Tom Custer also mentioned they had positive feedback from their departments as well. They also had stated they had received some questions about people trying to use Jan 2016 as a retirement date, the calculation mechanism would not allow them to use that date. It gave an error message. Mr. Sean Ruark

stated he would check with Pension Gold to see what the issue was. Mr. Jim Keesee stated he had received questions about the interest rate assumption and how any future COLAs would be calculated.

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

Mr. Steven Snyder advised the board that OPFTEC, is September 23-25, 2015 at the Postal Training Center in Norman, IFEBP CAPPP with Pensions I & II, October 6-9, 2015 in Providence, RI., NCPERS Public Safety Conference in Rancho Mirage, CA, October 25 – 28, 2015 and IFEBP Annual Conference, Nov. 8-11, in Honolulu, HI.

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DIRECTOR'S REPORT

Mr. Steven Snyder thanked those who attended his retirement ceremony and celebration. He noted that auditors were in the office and would be for another 2 ½ weeks, the rules would be effective 8/27/15, and the October Managers Dinner would likely be at Broadway 10 Chophouse. He also stated that Audit and Actuary reports would be presented at the September Board meeting. Mr. Snyder advised that the Oklahoma State Pension Commission was meeting concurrent with the OPPRS board meeting and that Vice Chairman Lou Trost was proposing the legislature mandate mortality tables used by pension systems.

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MOUNT LUCAS MANAGEMENT CORPORATION – PERFORMANCE AND PRODUCT UPDATE. BOARD TO TAKE APPROPRIATE ACTION AS DEEMED NECESSARY.

Mr. Ray Ix provided a brief update on the performance of Mount Lucas Management, a copy of which is attached as Exhibit "G."

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The meeting was recessed at approximately 10:52 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 DARCIÉ GORDON, ADMINISTRATIVE OFFICER.