

**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**

FEBRUARY 17, 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, February 17, 2016, in the Board Room of the Oklahoma Police Pension and Retirement System.

MEMBERS PRESENT: Tom Custer, Tony Davenport, Jim Keese, Susan Knight, Ryan Perkins, Rick Smith, Frank Stone, Jeff Pierce, and Tim Foley.

OTHERS: Steven K. Snyder, Executive Director; Darcie Gordon, Administrative Officer; Lauren Holmes, Administrative Assistant; Sean Ruark, Pension Administration Officer; Deric Berousek, Chief Financial Officer; Kim Heaton, Attorney General's Office; Jason Pulos, Asset Consulting Group; Cindy Birley, Davis Graham & Stubbs LLP; Jim Moore, James R. Moore & Associates, P.C.; Tony Puckett, McAfee & Taft; John Smith, City of Del City; and Mark Nelson, State of Oklahoma Fraternal Order of Police.

MEMBERS ABSENT: Craig Akard, Brandy Manek, Andy McPherson, and W.B. Smith.

Frank Stone left at 11:00 am and Tony Davenport left at 1:00 pm

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CASE NO. OPPRB 15-08, MUNICIPALITY APPLICATION FOR DISABILITY BENEFIT NOT IN LINE OF DUTY FOR LARRY J. HILL, DEL CITY - MOTION HEARING: MOTION TO QUASH SUBPOENA

Mr. Jim Moore was present and represented the Larry J. Hill. Mr. Tony Puckett of McAfee & Taft was present and represented the City of Del City.

Mr. Moore addressed the board on behalf of Mr. Hill. He stated that a subpoena had been issued and served on Mr. Hill requesting any and all medical or military documents in the possession, custody or control of Mr. Hill. He stated the City of Del City had no right to be requesting those documents and was asking the board quash the subpoena.

Mr. Puckett addressed the board on behalf of the City of Del City. He stated the documents and records had been requested in order to assist the Oklahoma Police Pension and Retirement System in the disability application process.

The board ascertained that in order for all the facts to be presented it would be necessary to request briefs from both parties.

Motion by Ryan Perkins and second by Tony Davenport to request briefs from both parties. Ayes: Tom Custer, Tony Davenport, Jim Keese, Susan Knight, Ryan Perkins, Rick Smith, Frank Stone, Jeff Pierce, and Tim Foley. Absent: Craig Akard, Brandy Manek, Andy McPherson, and W.B. Smith. Motion Carried.

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CASE NO. OPPRB 15-07, APPEAL OF DENIED APPLICATION FOR VESTED BENEFIT FOR RANDY HARRISON, DEL CITY

Motion by Jim Keesee and second by Ryan Perkins to enter into Executive Session (at approximately 10:33am). Ayes: Tom Custer, Tony Davenport, Jim Keesee, Susan Knight, Ryan Perkins, Rick Smith, Frank Stone, Jeff Pierce, and Tim Foley. Absent: Craig Akard, Brandy Manek, Andy McPherson, and W.B. Smith. Motion Carried.

Motion by Tony Davenport and second by Rick Smith to enter into Open Session (at approximately 10:51am). Ayes: Tom Custer, Tony Davenport, Jim Keesee, Susan Knight, Ryan Perkins, Rick Smith, Frank Stone, Jeff Pierce, and Tim Foley. Absent: Craig Akard, Brandy Manek, Andy McPherson, and W.B. Smith. Motion Carried.

Motion by Tony Davenport and second by Rick Smith to continue until the board could review certain documents pertaining to the case. Ayes: Tom Custer, Tony Davenport, Jim Keesee, Susan Knight, Ryan Perkins, Rick Smith, Frank Stone, Jeff Pierce, and Tim Foley. Absent: Craig Akard, Brandy Manek, Andy McPherson, and W.B. Smith. Motion Carried.

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APPROVAL OF MINUTES OF REGULAR BOARD MEETING HELD JANUARY 20, 2016

Motion by Jim Keesee and second by Ryan Perkins to approve the Minutes of the Regular Board Meeting held January 20, 2016. Ayes: Tom Custer, Tony Davenport, Jim Keesee, Susan Knight, Ryan Perkins, Rick Smith, Frank Stone, Jeff Pierce, and Tim Foley. Absent: Craig Akard, Brandy Manek, Andy McPherson, and W.B. Smith. 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>
Marcus B. Beale	Ada
Michael K. Lindsey	Ada
Brian C. Olmstead	Altus
Sara M. Windom	Ardmore
Ricky J. Boettcher	Bartlesville
Jimill L. Wenzel	Bristow
Colby W. Robinson	Clinton
Brad J. Kastl	Cushing
William D. Marchant	Harrah
Tina L. Bendele	Lawton
Nicholas B. Chilcote	Lawton
Samuel W. Encinias	Lawton
Logan D. Farmer	Lawton
Chantz A. Flinn	Lawton
Jason A. Gillis	Lawton
Angela M. Herbert	Lawton
Tanner E. Josey	Lawton

Stephen C. Masden	Lawton
Carlos D. Nazario, Jr.	Lawton
Christopher L. Puetz	Lawton
Jonathan E. Siltman	Lawton
Christopher A. Tucker	Lawton
Anthony S. Butler	Luther
Michael Oliver	Luther
Andrew Stephens	Luther
Jamie D. Heimbach	Muskogee
Brandon S. Edwards	Nichols Hills
Blaine M. Griffey	Sallisaw
Devin E. Harriman	Sallisaw
Richard V. Curtis	Sapulpa
Adam R. Marshall	Sapulpa
Kevin N. Taylor	Sapulpa
Armando J. Villegas	Sayre
Henry J. Goforth	Vinita
James L. Bond	Warr Acres

b. Application for Refund of Contributions:

<u>Name</u>	<u>City</u>
Joseph D. Barrett	Altus
Miguel A. Rivera, Jr.	Bethany
Kenneth C. Stutzriem	Clinton
David W. Martin	Duncan
Robert Hammons	Enid
Jason Jenkins	Fort Gibson
Kevin R. Ortman	Harrah
Zachary Lee	Hobart
Chelsey Franco	Lawton
Ross Fitzgerald	Oklahoma City
David Hernandez-Medrano	Oklahoma City
Evan D. Walton	Oklahoma City
Doyle R. Carey	Perry
Adam Carner	Sapulpa
Matthew G. Gains	Sayre
John P. Dehaven	Tonkawa
Tyrone Jenkins	Tulsa
Norman Ladd	Tulsa
Jerry L. Gallaher, Jr.	Waurika
Austin C. Ellis	Weatherford
Pate Gossen	Weatherford

c. Terminate Deferred Option Plan to Begin Service Pension:

<u>Name</u>	<u>City</u>	<u>Eff. Date</u>
Philip Brice	Miami	03/01/2016
Deborah K. Baer	Oklahoma City	03/01/2016

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>
Charles D. Lack	Oklahoma City	03/01/2015	03/01/2016
Steven W. Lemmings	Pryor	07/01/2013	03/01/2016
Douglas A. Brown	Tulsa	02/01/2011	02/01/2016
James Poyner	Tulsa	03/01/2011	03/01/2016

e. Application for Service Pension:

<u>Name</u>	<u>City</u>	<u>Eff. Date</u>
Matthew D. Lekenbauer	Woodward	03/01/2016

f. Application for Vested Benefit:

<u>Name</u>	<u>City</u>	<u>Eff. Date</u>
Robert Groseclose	Nicoma Park	07/29/2024

g. Death Benefit:

<u>Name</u>	<u>City</u>
Shelia H. Edwards, widow of Adam S. Edwards, Jr.	Oklahoma City
Mary L. Smart, Personal rep. of Robert L. Morrow	Okmulgee
Gina K. Hunt, widow of Roger Hunt	Pauls Valley
Josephine B. Keith, widow of Gene Keith	Tulsa

h. Continuation of Benefit:

<u>Name</u>	<u>City</u>
Shelia H. Edwards, widow of Adam S. Edwards, Jr.	Oklahoma City
Gina K. Hunt, widow of Roger Hunt	Pauls Valley
Josephine B. Keith, widow of Gene Keith	Tulsa

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

<u>Name</u>	<u>City</u>
Mary L. Smart, Personal rep. of Robert L. Morrow	Okmulgee

j. Termination of Benefit:

<u>Name</u>	<u>City</u>
Robert L. Morrow	Okmulgee

Motion by Ryan Perkins and second by Jim Keesee for approval of applications for Police Deferred Option Plan, Participation, Service Pension, Refunds and Benefits. Ayes: Tom Custer, Tony Davenport, Jim Keesee, Susan Knight, Ryan Perkins, Rick Smith, Jeff Pierce, and Tim Foley. Absent: Craig Akard, Brandy Manek, Andy McPherson, W.B. Smith, and Frank Stone. Motion Carried.

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RUFUS NEWSOME, TULSA – REQUEST TO BUY BACK PRIOR SERVICE WHILE EMPLOYED WITH THE SAND SPRINGS POLICE DEPARTMENT FROM 11/12/82 TO 06/01/83. BOARD TO TAKE APPROPRIATE ACTION AS DEEMED NECESSARY.

Motion by Ryan Perkins and second by Tony Davenport to approve Rufus Newsome’s request to buy back prior service while employed with the Sand Springs Police Department from 11/12/82 – 06/01/83. Ayes: Tom Custer, Tony Davenport, Jim Keesee, Susan Knight, Ryan Perkins, Rick Smith, Jeff Pierce, and Tim Foley. Absent: Craig Akard, Brandy Manek, Andy McPherson, W.B. Smith, and Frank Stone. Motion Carried.

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RICKY M. WEAVER, JENKS – REQUEST TO BUY BACK PRIOR SERVICE WHILE EMPLOYED WITH THE SAPULPA POLICE DEPARTMENT FROM 08/06/77 TO 12/18/89. BOARD TO TAKE APPROPRIATE ACTION AS DEEMED NECESSARY.

Motion by Ryan Perkins and second by Jim Keesee to approve Ricky Weaver’s request to buy back prior service while employed with the Sapulpa Police Department from 08/06/77 – 12/18/89. Ayes: Tom Custer, Tony Davenport, Jim Keesee, Susan Knight, Ryan Perkins, Rick Smith, Jeff Pierce, and Tim Foley. Absent: Craig Akard, Brandy Manek, Andy McPherson, W.B. Smith, and Frank Stone. Motion Carried.

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DWIGHT K. COLE, TULSA – REQUEST TO BUY BACK PRIOR SERVICE WHILE EMPLOYED WITH THE TULSA POLICE DEPARTMENT FROM 02/01/78 TO 04/01/84. BOARD TO TAKE APPROPRIATE ACTION AS DEEMED NECESSARY.

Motion by Ryan Perkins and second by Tony Davenport to approve Dwight Cole’s request to buy back prior service while employed with the Tulsa Police Department from 02/01/78 – 04/01/84. Ayes: Tom Custer, Tony Davenport, Jim Keesee, Susan Knight, Ryan Perkins, Rick Smith, Jeff Pierce, and Tim Foley. Absent: Craig Akard, Brandy Manek, Andy McPherson, W.B. Smith, and Frank Stone. 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 January 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 JANUARY 31, 2016, QUARTERLY REPORT FOR QUARTER ENDED DECEMBER 31, 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 January 31, 2016, a copy of which is attached as Exhibit "E". As of January 31, 2016 the total Fund was approximately \$2,107,368,000.00. The one-year return net of fees for the total Fund is -1.97%.

Mr. Pulos also presented the Quarterly Report for quarter ended December 31, 2015, a copy of which is attached as Exhibit “F”.

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ASSET CONSULTING GROUP – DISCUSSION AND POSSIBLE VOTE ON PROPOSED MODIFICATIONS TO THE PRIVATE EQUITY GUIDELINES. BOARD TO TAKE APPROPRIATE ACTION AS DEEMED NECESSARY.

Mr. Jason Pulos presented the board with purposed changes to the the Oklahoma Police Pension and Retirement Fund Investment Policy – Appendix A, a copy of which is attached as Exhibit “G”. He noted the policy had not been reviewed or revised in approximately 15 years, since the inception of the program. He stated there were no big changes just clarification.

Motion by Ryan Perkins and second by Jim Keesee to approve the Oklahoma Police Pension and Retirement Fund Investment Policy – Appendix A as presented. Ayes: Tom Custer, Tony Davenport, Jim Keesee, Susan Knight, Ryan Perkins, Rick Smith, Jeff Pierce, and Tim Foley. Absent: Craig Akard, Brandy Manek, Andy McPherson, W.B. Smith, and Frank Stone. Motion Carried.

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DISCUSSION AND POSSIBLE VOTE REGARDING EXECUTIVE ORDER 2016-01. BOARD TO TAKE APPROPRIATE ACTION AS DEEMED NECESSARY.

Mr. Snyder advised the board that Gov. Fallin had issued Executive Order 2016-01 on January 21, 2016. He stated the order required all agencies to have a webpage within two clicks of the homepage that included the name, telephone number where a messaged could be left, and an email address for all board members.

He noted that the office was currently looking into new phone systems that could include a mailbox for each board member.

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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. Mark Nelson and Mr. Jim Moore addressed the board regarding concerns they had with purposed language in HB 2273. Ms. Cindy Birley explained the current language in the bill and answered questions about it. The board decided it would be best for Ms. Cindy Birley and Mr. Jim Moore to work together on proposed language and bring it back to the board at the next meeting. The goal was trying to work out language both parties felt their organization could stand behind.

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LITIGATION REPORT – PROPOSED EXECUTIVE SESSION, IF DEEMED NECESSARY BY LEGAL COUNSEL TO DISCUSS CASE NO. CIV536013, IN RE SIENRA, 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 OPPRS had been awarded \$10,000 for all the work on the Dole case. He also mentioned that all cases were status quo.

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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. Steven Snyder advised the board of the following conferences:

- NCPERS Annual Conference
 - May 15-19, 2016 – San Diego, CA
- 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. Steven Snyder advised the board that the Annual Tenant Appreciation Picnic would be in May. He also stated that April Managers Dinner would be at The Ranch Steakhouse. Mr. Snyder mentioned the need to possible move the May board meeting since a majority would be gone to NCPERS.

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The meeting was adjourned at approximately 1:15pm.

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.