

**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**

JULY 15, 2015

The regular meeting of the Oklahoma Police Pension and Retirement Board was called to order by previous past Chairman Jim Keesee at approximately 9:00 a.m. on Wednesday, July 15, 2015, in the Board Room of the Oklahoma Police Pension and Retirement System.

MEMBERS PRESENT: Craig Akard, Tom Custer, Tony Davenport, Jim Keesee, Susan Knight, Brandy Manek, Frank Stone, 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; Kim Heaton, Attorney General's Office; Jason Pulos and Joe Nugent, Asset Consulting Group; and Neil Vickers.

MEMBERS ABSENT: Andy McPherson, Ryan Perkins, Rick Smith, W.B. Smith and Jeff Pierce

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Rick Smith arrived at approximately 9:19 am and Tony Davenport left at approximately 10:09 am.

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APPROVAL OF MINUTES OF BOARD MEETING HELD JUNE 17 , 2015

Motion by Tony Davenport and second by Tom Custer to approve the Minutes of the Regular Board Meeting held June 17, 2015. Ayes: Craig Akard, Tom Custer, Tony Davenport, Jim Keesee, Susan Knight, Brandy Manek, Frank Stone, and Tim Foley. Absent: Andy McPherson, Ryan Perkins, Rick Smith, W.B. Smith and Jeff Pierce. 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>
Garrett A. Higgins	Altus
Eric McQuigg	Altus
Josh Smalts	Altus
Joey Wakefield	Chandler
Johnnie K. Drewery	Chickasha
Jeromy L. Smith	Chickasha
Connie L. Jefferson	Davis
Anthony J. Heath, II	El Reno
Kean M. Allison-Flowers	Lexington
Taylor B. Greenwood	Nichols Hills
Brian M. Browning	Norman
Ryan N. Brown	Oklahoma City
Drake A. Carder	Oklahoma City
Jared W. Cook	Oklahoma City

John M. Farrington	Oklahoma City
Andy F. Guiardinu	Oklahoma City
Matthew W. Patten	Oklahoma City
Bethany E. Sears	Oklahoma City
Aaron M. Shellenberger	Oklahoma City
Jacob A. Swan	Oklahoma City
John T. Fletcher	Ringling
Francisco J. Perez	Sand Springs
Emmitt T. Kerby	Savanna
Chase C. Reed	Tahlequah
Adam T. Barlow	Watonga
Jonathan J. Farrell	Ada
Adam J. Rowden	Ada
Kathryn D. Nichols	Ardmore
James M. Irby	Bethany
Tyler M. Evans	Enid
Robert L. Grassino	Enid
Joseph T. Hodges	Enid
Damian A. Neiswangel	Enid
Christopher W. Blessing	Lawton
Cory D. Byrne	Lawton
Andrew W. Foreman	Lawton
William E. Maxson	Lawton
Bo K. Hurst	Midwest City
Joshua D. Greshon	Oklahoma City
Brandon P. Lee	Oklahoma City
Michael S. Miller	Oklahoma City
Thomas B. Short	Oklahoma City
Ashley M. Tran	Oklahoma City
Joshua P. Franklin	Pauls Valley
Jeremy R. Brewer	Sand Springs

b. Application for Refund of Contributions:

<u>Name</u>	<u>City</u>
Erasmus Gonzales	Altus
Darrin Duckworth	Atoka
Charles S. Cartwright	Bartlesville
Gary D. Swymelgr	Choctaw
Alex Schmidt	Del City
John G. Sattler, Jr.	Enid
William R. Hunt	Frederick
Dolan W. Sledge	Guymon
Barry Burcham	Henryetta
Cameron Cole	Idabel
Annalissa Richardson	Norman
Cassie Gentry	Oklahoma City
Alex Massie	Ringling
Michael J. Thomas	Sallisaw
Justin L. Pittman	Sulphur
Marshall Gach	Ardmore

Matthew Henneha	Jenks
Adam Eller	Oklahoma City
Taylor Trammel	Tahlequah
James D. Lane	Wetumka

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>
Leland B. McQueen	Claremore	07/01/2010	07/01/2015
Dean L. Grassino	Enid	08/01/2010	08/01/2015
Jeffery G. McGehee	Enid	08/01/2010	08/01/2015
John B. Martin	Idabel	01/01/2014	07/01/2015
Keith May	Lawton	07/01/2010	07/01/2015
Tyara D. Nash	Oklahoma City	07/01/2010	07/01/2015
Martin M. Stupka	Oklahoma City	08/01/2010	08/01/2015
Jeanette K. Williams	Oklahoma City	07/01/2010	07/01/2015
Gregory P. Mathews	Tulsa	07/01/2010	07/01/2015
Robby L. Turner	Tulsa	07/01/2010	07/01/2015
Allen E. Schoonover	Jenks	04/01/2012	07/01/2015
Jamell H. Shields	Oklahoma City	08/01/2010	08/01/2015
Nathaniel R. Tarver	Oklahoma City	08/01/2010	08/01/2015

d. Application for Service Pension:

<u>Name</u>	<u>City</u>	<u>Eff. Date</u>
Adam Feazel	Altus	07/01/2015
Craig S. Lyman	Lawton	08/01/2015

e. Application for Vested Benefit:

<u>Name</u>	<u>City</u>	<u>Eff. Date</u>
Curtis R. McLaughlin	Tulsa	07/28/2019

f. Death Benefit:

<u>Name</u>	<u>City</u>
Lynda K. Duncan, widow of Lee A. Duncan	Tulsa

g. Continuation of Benefit:

<u>Name</u>	<u>City</u>
Lynda K. Duncan, widow of Lee A. Duncan	Tulsa

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

<u>Name</u>	<u>City</u>
Janet Davis, Personal Rep. of Disa Fitzgerald	Enid
Doris Mason, Personal Rep. of Marjorie Fry	Henryetta

i. Termination of Benefit:

<u>Name</u>	<u>City</u>
Disa Fitzgerald	Enid
Marjorie Fry	Henryetta

Motion by Craig Akard and second by Tom Custer 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 Keese, Susan Knight, Brandy Manek, Frank Stone, and Tim Foley. Absent: Andy McPherson, Ryan Perkins, Rick Smith, W.B. Smith and Jeff Pierce. 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 Jun 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 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 June 30, 2015, a copy of which is attached as Exhibit "E". As of June 30, 2015, the total Fund was approximately \$2,256,584,000.00. The one-year return net of fees for the total Fund is 3.38%.

Motion by Tony Davenport and second by Craig Akard to approve the rate of return of 3.38%. Ayes: Craig Akard, Tom Custer, Tony Davenport, Jim Keese, Susan Knight, Brandy Manek, Rick Smith, Frank Stone, and Tim Foley. Absent: Andy McPherson, Ryan Perkins, W.B. Smith and Jeff Pierce. Motion Carried.

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ASSET CONSULTING GROUP -- ANNUAL REVIEW OF WRITTEN GUIDELINES AND EXPECTATIONS OF THE FUND'S INVESTMENT MANAGERS. BOARD TO TAKE APPROPRIATE ACTION AS DEEMED NECESSARY.

Mr. Jason Pulos reviewed the Oklahoma Police Pension and Retirement Fund Statement of Investment Policy, including Appendix A, a copy of which is attached as Exhibit "F". He advised that the following changes needed to be made;

Policy Statement

Page 2, paragraph 8: Updated Policy Index to include 5% Bloomberg Commodity Index and reduced MSCI All Country World Index from 65% to 60%.

Page 3, paragraph 5: Changed reference to strategic target allocation to correctly reference paragraph 9.

Appendix A

Page 25: Updated Index for Mount Lucas to reflect current benchmark; Credit Suisse Global Macro Index

Page 33 & 34 Securities Lending Cash Collateral Investment Guidelines: Removed guidelines for the BNY/Mellon Pooled Employees Securities Lending Overnight Fund

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

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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 reviewed the Oklahoma Police Pension and Retirement System Private Equity Recommendation July 15, 2015, a copy of which is attached as Exhibit “G”. Mr. Nugent advised the board it was ACGs recommendation to commit \$7.5 million to CenterOak Equity Fund I, L.P..

Motion by Rick Smith and second by Tom Custer to commit \$7.5 million to CenterOak Equity Fund I, L.P.. Ayes: Craig Akard, Tom Custer, Tony Davenport, Jim Keese, Susan Knight, Brandy Manek, Rick Smith, Frank Stone, and Tim Foley. Absent: Andy McPherson, Ryan Perkins, W.B. Smith and Jeff Pierce. 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 TEMPUR-PEDIC INTERNATIONAL, INC (UNITED STATES DISTRICT COURT, EASTERN DISTRICT OF KENTUCKY); CASE NO. 1:12-CV-03419-GBD-HBP, 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 our appeal on the Tempur-Pedic case had been denied by the 6th Circuit Court of appeals. He stated the entire case had been dismissed. 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. Jim Keese stated that a Norman officer had contacted Rep. Scott Martin about the OPPRS disability process. The officer would like to see changes made to how OPPRS handles disabilities. He stated that he had met with the officer about his concerns. Mr. Snyder noted that our process would have to be altered through statute and any statute changes would have to be put in a bill and approved by Rep. McDaniel. He also noted that Rep. McDaniel would not hear any bills that had a cost associated with them.

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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 stated the auditors would be arriving the second week of August and would be in office for approximately a month. He advised Ray Ix with Mt. Lucas would be here next month for a presentation with lunch following the meeting at Cattleman’s. He also stated that he had emailed the board Treasurer Miller’s Economic Report and provided the board with an NCPERS article.

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ELECTION OF CHAIRMAN OF THE BOARD PURSUANT TO 11 O.S. § 50-103.1(F).

Nominations for Chairman were opened to the Board.

Tom Custer nominated Jeff Pierce and Craig Akard seconded the nomination.

Hearing no additional nominations, Jeff Pierce was declared Chairman by acclamation.

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ELECTION OF VICE CHAIRMAN OF THE BOARD PURSUANT TO 11 O.S. § 50-103.1(F).

Nominations for Vice Chairman were opened to the Board.

Craig Akard nominated W.B. Smith and Tony Davenport seconded the nomination.

Hearing no additional nominations, W.B. Smith was declared Vice Chairman by acclamation.

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The meeting was recessed at approximately 10:11 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.