

**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**

JUNE 18, 2014

The regular meeting of the Oklahoma Police Pension and Retirement Board was called to order by Chairman Jim Keesee at approximately 9:00 a.m. on Wednesday, June 18, 2014, 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; Deric Berousek, Chief Financial Officer; Sean Ruark, Pension Administration Officer; Kim Heaton, Attorney General's Office; Jason Pulos, Asset Consulting Group; Barbara Cassidy, Baring Asset Management; Mina Baghvardani, Oklahoma Insurance Department; and Daniel Figueroa, Oklahoma Insurance Department.

MEMBERS ABSENT: Brandy Manek and Ryan Perkins

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Note Ryan Perkins arrived at approximately 9:25 a.m.

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APPROVAL OF MINUTES OF BOARD MEETING HELD MAY 21, 2014

Motion by W.B. Smith and second by Tom Custer to approve the Minutes of the Regular Board Meeting held May 21, 2014. Ayes: Craig Akard, Tom Custer, Tony Davenport, Jim Keesee, Andy McPherson, Rick Smith, W.B. Smith, Frank Stone, and Tim Foley. Absent: Brandy Manek and Ryan Perkins. Abstain: Susan Knight 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>
James E. Coker	Anadarko
Charles V. Maldonado	Anadarko
Eric L. Grisham	Ardmore
Sandy J. Dowdle	El Reno
Rebekah R. Badgett	Elk City
Jeremy D. Albauer	Harrah
Timothy W. Anderson	Madill
Christopher L. Skinner	McAlester
Garrett L. Dunlap	Muskogee

Brandon W. Harris	Muskogee
Dylan K. Simmons	Muskogee
Alfredo J. Solis	Muskogee
Justin Z. Wood	Muskogee
James A. Meadows	Mustang
Scott A. Doty	Perry
Orrin Gragert	Savanna
Jason W. Null	Seminole
Skylar W. Green	Tahlequah
Tyler J. Trammel	Tahlequah
Alicia D. Marchand	Watonga
Belinda L. Davis	Wewoka
Nicholas L. Shackelford	Enid

b. Application for Refund of Contributions:

<u>Name</u>	<u>City</u>
Bryan C. Irwin	Clinton
John Burgess	Elk City
Jeromy Smiley	Hominy
Gabriela Legarreta, widow of Juan F. Legarreta	Jenks
Brandon Pickens	Madill
Kendal D. Hodge	Okmulgee
Matthew Smith	Perry
Brian C. Hewitt	Tulsa
Eric M. Cope	Warner
Kyle A. Bridges	Weatherford
Todd C. Doyals	Weatherford
John K. Wyatt	Idabel
Virgil G. Gibbs	Oklahoma City
Dwight Roam, Jr.	Poteau
Michael Huckleby	Skiatook
Robert C. Barger	Weatherford

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>
Robert W. Carder	Altus	07/01/2009	07/01/2014
Mary L. Zepeda	Altus	07/01/2009	07/01/2014
Elip L. Moore	Chickasha	03/01/2014	07/01/2014
Michael L. Merry	Yukon	06/01/2009	06/01/2014
Robert M. Moore	Norman	07/01/2009	07/01/2014

d. Application for Vested Benefit:

<u>Name</u>	<u>City</u>	<u>Eff. Date</u>
Bradley D. Holt	Muskogee	05/22/2022

e. Death Benefit:

<u>Name</u>	<u>City</u>
Gabriela Legarreta, widow of	Jenks

Juan F. Legarreta	
Cheryl A. Butler, widow of Billy G. Butler, Jr.	Miami
Jonathan H. Ashby, surviving child of David B. Ashby	Tulsa
E. Louise Goddard, widow of Charles M. Goddard	Tulsa
Mark Secrist, Personal Rep. of David E. Secrist	Tulsa
Debra Knopp, widow of Steven Knopp	Warr Acres
Mary L. Hood, widow of Edwin L. Hood	Duncan
Mary D. Witt, widow of Paul Witt	Okmulgee

f. Continuation of Benefit:

<u>Name</u>	<u>City</u>
Cheryl A. Butler, widow of Billy G. Butler, Jr.	Miami
Jonathan H. Ashby, surviving child of David B. Ashby	Tulsa
E. Louise Goddard, widow of Charles M. Goddard	Tulsa
Debra Knopp, widow of Steven Knopp	Warr Acres
Mary L. Hood, widow of Edwin L. Hood	Duncan
Mary D. Witt, widow of Paul Witt	Okmulgee

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

<u>Name</u>	<u>City</u>
Mark Secrist, Personal Rep. of David E. Secrist	Tulsa

h. Termination of Benefit:

<u>Name</u>	<u>City</u>
David Secrist	Tulsa

i. Application for Service Pension:

<u>Name</u>	<u>City</u>	<u>Eff. Date</u>
Angela L. Shields	Oklahoma City	08/01/2014

Motion by W.B. Smith and second by Craig Akard 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, 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 May 2014 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 MAY 31, 2014 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 May 31, 2014, a copy of which is attached as Exhibit “E”. As of May 31, 2014, the total Fund was approximately \$2,200,454.00. The one-year return net of fees for the total Fund is 11.89%.

Mr. Jason Pulos advised the board that he thought there was room for more efficiency in the Large Cap area, as fees were pretty high. He stated that there were 4 candidates including our current large cap manager who would fight for our business and get the fees lower.

Motion by W.B. Smith and second by Tom Custer to go out for RFP for large cap manager, in order to get lower fees. 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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ASSET CONSULTING GROUP – DISCUSSION AND POSSIBLE VOTE ON INTERNATIONAL EQUITY FEE SCHEDULE. BOARD TO TAKE APPROPRIATE ACTION AS DEEMED NECESSARY.

Ms. Barbara Cassidy presented the board with the Compensation Schedule Review, a copy of which is attached as Exhibit “F”. She advised the board that the fee structure has been realigned with performance due to the underperformance of the fund.

Motion by Andy McPherson and second by Tony Davenport to approve the new fee schedule for Baring Asset Management. 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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PRESENTATIONS FOR COMMODITIES MANAGER

- A. BLACKSTONE ALTERNATIVE ASSET MANAGEMENT, LP
- B. CORECOMMODITY MANAGEMENT, LLC
- C. GRESHAM INVESTMENT MANAGEMENT, LLC

Copies are attached as Exhibit “G”, Exhibit “H”, and Exhibit “I”

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ASSET CONSULTING GROUP – DISCUSSION AND POSSIBLE VOTE WHETHER TO HIRE COMMODITIES MANAGER. BOARD TO TAKE APPROPRIATE ACTION AS DEEMED NECESSARY.

Mr. Jason Pulos reviewed the Oklahoma Police Pension and Retirement System Long-Only/Long-Biased Commodities Finalist June 18, 2014, a copy of which is attached as Exhibit “J”.

Motion by Tom Custer and second by Tony Davenport to commit \$75,000,000.00 to Gresham Investment Management TAP Fund. Ayes: Craig Akard, Tom Custer, Tony Davenport, Jim Keesee, Susan Knight, Andy McPherson, Ryan Perkins, Rick Smith, W.B. Smith, Frank Stone, Jeff Pierce, and Tim Foley. Absent: Brandy Manek. Motion Carried.

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DISCUSSION OF OCTOBER 2014 BOARD MEETING DATE. BOARD TO TAKE APPROPRIATE ACTION AS DEEMED NECESSARY.

Mr. Steve Snyder advised the board that we would not have a quorum for the October board meeting due to those attending the IFEBP meeting in Boston, MA.

Motion by Tom Custer and second by Ryan Perkins to change the October meeting date to October 22, 2014. Ayes: Craig Akard, Tom Custer, Tony Davenport, Jim Keesee, Susan Knight, Andy McPherson, Ryan Perkins, Rick Smith, W.B. Smith, Frank Stone, Jeff Pierce, and Tim Foley. Absent: Brandy Manek. Motion Carried.

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PROPOSED EXECUTIVE SESSION, IF DEEMED NECESSARY BY LEGAL COUNSEL TO DISCUSS THE LEGAL MEMORANDUM FROM BERMAN DEVALERIO REGARDING POSSIBLE SECURITIES LITIGATION CLAIM 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

LITIGATION REPORT – PROPOSED EXECUTIVE SESSION, IF DEEMED NECESSARY BY LEGAL COUNSEL TO DISCUSS 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. 1:11-CV-08066-JGK, IN RE OPPRS V. U.S. BANK NATIONAL ASSOCIATION, (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

Motion by Ryan Perkins and second by Craig Akard to enter executive session (at approximately 11:33 a.m.). Ayes: Craig Akard, Tom Custer, Tony Davenport, Jim Keesee, Susan Knight, Andy McPherson, Ryan Perkins, Rick Smith, W.B. Smith, Frank Stone, Jeff Pierce, and Tim Foley. Absent: Brandy Manek. Motion Carried.

Motion by Ryan Perkins and second by Craig Akard to return to open session (at approximately 11:40 a.m.). Ayes: Craig Akard, Tom Custer, Tony Davenport, Jim Keesee, Susan Knight, Andy McPherson, Ryan Perkins, Rick Smith, W.B. Smith, Frank Stone, Jeff Pierce, and Tim Foley. Absent: Brandy Manek. Motion Carried.

Motion by Ryan Perkins and second by Craig Akard to enter into the Tibor Manipulation case with Berman DeValerio. Ayes: Craig Akard, Tom Custer, Tony Davenport, Jim Keesee, Susan Knight, Andy McPherson, Ryan Perkins, Rick Smith, W.B. Smith, Frank Stone, Jeff Pierce, and Tim Foley. Absent: Brandy Manek. Motion Carried.

Motion by Ryan Perkins and second by W.B. Smith to move forward with Labaton Sucharow on the Infoblox case. Ayes: Craig Akard, Tom Custer, Tony Davenport, Jim Keesee, Susan Knight, Andy McPherson, Ryan Perkins, Rick Smith, W.B. Smith, Frank Stone, Jeff Pierce, and Tim Foley. Absent: Brandy Manek. Motion Carried.

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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. Steven Snyder advised there was nothing new on the bills from the House or Senate.

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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 the board that IFEBP would be in Boston, MA, October 12-15 2014 and OPFTEC would be in Norman, OK September 24-26, 2014. Mr. Snyder also advised that he has been in contact with ACG about setting up a workshop for all board members at their office in St. Louis, MO.

Mr. Tom Custer stated that several of the board members had attending the ACG Workshop at the Skirvin and it was very informative and gave them an big picture overall outlook.

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DIRECTOR'S REPORT

Mr. Snyder reported the elections for Chairman and Vice Chairman would be next month as well as Ray Ix, with Mount Lucas, would be here and lunch at Cattlemen's Steakhouse would follow the meeting. He advised that the auditors will be here most of August and September. He also stated there is a Pension Commission Meeting on 6/25/14.

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BRYAN MOORE, DURANT – REQUEST TO BUY BACK PRIOR SERVICE WHILE EMPLOYED WITH THE ATOKA POLICE DEPARTMENT FROM 07/28/1999 TO 12/31/2001 AND 7/18/2002 TO 8/31/2005. BOARD TO TAKE APPROPRIATE ACTION AS DEEMED NECESSARY.

Motion by Tony Davenport and second by Tom Custer to approve request to buy back prior service while employed with the Atoka Police Department from 7/28/1999 to 12/31/2001 and 7/18/2002 to 8/31/2005. Ayes: Craig Akard, Tom Custer, Tony Davenport, Jim Keese, Susan Knight, Andy McPherson, Ryan Perkins, Rick Smith, W.B. Smith, Frank Stone, Jeff Pierce, and Tim Foley. Absent: Brandy Manek. Motion Carried.

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The meeting was adjourned at approximately 11:53 a.m.

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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.