

**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 15, 2016

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, June 15, 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, Ryan Perkins, W.B. 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 Officers; Kim Heaton, Attorney General's Office; George Tarlas and Steve Ott, Asset Consulting Group; Jarrod Leaman, Moore & Leaman; Terri Goldstone and Robert Weiser, Weiser Law Firm; and Mark Nelson.

MEMBERS ABSENT: Rick Smith *Brandy Manek arrived at 9:27am and Frank Stone left at 11:03am*

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APPROVAL OF MINUTES OF REGULAR BOARD MEETING HELD MAY 25, 2016

Motion by W.B. Smith and second by Tony Davenport to approve the Minutes of the Regular Board Meeting held May 25, 2016. Ayes: Craig Akard, Tom Custer, Tony Davenport, Susan Knight, Andy McPherson, Ryan Perkins, W.B. Smith, Frank Stone, Jeff Pierce, and Tim Foley. Abstain: Jim Keesee. Absent: Brandy Manek and Rick 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> |
|--------------------|-------------|
| Matthew B. Hollon | Altus |
| Joel R. Reser | Eufaula |
| Aaron N. Bailey | Guthrie |
| Michael E. Schmit | Guthrie |
| Robert A. Arnold | Jenks |
| Rebecca L. Hau | Moore |
| Bryan R. Bell | Okmulgee |
| Laura M. Lehner | Owasso |
| Kenneth C. Trammel | Pawhuska |

Jerry L. Gragg	Savanna
Bryan J. Qualls	Tahlequah
Chad R. Scroggins	Valley Brook

b. Application for Refund of Contributions:

<u>Name</u>	<u>City</u>
Clint Maddox	Clinton
Nathan Gruis	Guymon
Marcus Cathey	Hugo
Miranda Durham	Lawton
Murl D. Phillips, III	Pauls Valley
Peter W. Maher	Tulsa
Amber Ballard	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>
Karl W. Hartzke	Catoosa	08/01/2011	08/01/2016
Mark W. Johnson	Norman	05/01/2016	07/01/2016
Tracy R. Smith	Oklahoma City	02/01/2014	08/01/2016
Mark S. Mackenzie	Tulsa	07/01/2011	07/01/2016

d. Application for Service Pension:

<u>Name</u>	<u>City</u>	<u>Eff. Date</u>
Delton Woods	Blackwell	07/01/2016

e. Application for Vested Benefit:

<u>Name</u>	<u>City</u>	<u>Eff. Date</u>
Tyler Hill	Broken Arrow	08/25/2027

f. Death Benefit:

<u>Name</u>	<u>City</u>
Frankie J. Parke, widow of Freddie Parke	Tulsa

g. Continuation of Benefit:

<u>Name</u>	<u>City</u>
Frankie J. Parke, widow of Freddie Parke	Tulsa

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

<u>Name</u>	<u>City</u>
Gordon A. Gingrich, Personal Rep. of Shirley M. Gingrich	Tulsa
Joel E. Pollard, Personal Rep. of Lorene Pollard	Idabel
Terri L. Ward, Personal Rep. of Martha J. Ward	Oklahoma City

i. Termination of Benefit:

<u>Name</u>	<u>City</u>
Shirley M. Gingrich	Tulsa
Lorene Pollard	Idabel
Martha J. Ward	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, Ryan Perkins, W.B. Smith, Frank Stone, Jeff Pierce, and Tim Foley. Absent: Brandy Manek and Rick Smith. 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 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 APRIL 30, 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 May 31, 2016, a copy of which is attached as Exhibit "E". As of May 31, 2016, the total Fund was approximately \$2,197,210,000.00. The one-year return net of fees for the total Fund is -1.85%.

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ASSET CONSULTING GROUP – DISCUSSION AND POSSIBLE VOTE ON EMERGING MARKET MANAGER SEARCH FINALISTS AS RECOMMENDED BY ASSET CONSULTING GROUP. BOARD TO TAKE APPROPRIATE ACTION AS DEEMED NECESSARY.

Mr. Steve Ott reviewed the *Oklahoma Police Pension & Retirement System Emerging Market Equity Search*, a copy of which is attached as Exhibit "F". Mr. Ott stated it was the recommendation of Asset Consulting Group to interview; Alliance Bernstein, Harding Loevner, and William Blair Investment Management.

Motion by Ryan Perkins and second by Jim Keesee to interview Alliance Bernstein, Harding Loevner, and WCW Investment Management. . Ayes: Craig Akard, Tom Custer, Tony Davenport, Jim Keesee, Susan Knight, Brandy Manek, Andy McPherson, Ryan Perkins, W.B. Smith, Frank Stone, Jeff Pierce, and Tim Foley. Absent: Rick Smith. Motion Carried.

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DISCUSSION AND POSSIBLE VOTE ON DEFINITION OF ELIGIBLE RETIREMENT PLAN. BOARD TO TAKE APPROPRIATE ACTION AS DEEMED NECESSARY.

Mr. Steve Snyder present to the board a *Resolution*, a copy of which is attached as Exhibit "G", regarding the definition of Eligible Retirement Plan.

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

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DISCUSSION AND POSSIBLE VOTE ON WHETHER TO RETAIN WEISER LAW FIRM AS SECURITIES LITIGATION MONITORING FIRM. BOARD TO TAKE APPROPRIATE ACTION AS DEEMED NECESSARY.

Mr. Robert Weiser and Ms. Terri Goldstone visited briefly with the board about the firm, their practices, and previous cases they were involved in.

Motion by W.B. Smith and second by Craig Akard to continue until July Board meeting. Ayes: Craig Akard, Tom Custer, Tony Davenport, Jim Keese, Susan Knight, Brandy Manek, Andy McPherson, Ryan Perkins, W.B. Smith, Frank Stone, Jeff Pierce, and Tim Foley. Absent: Rick Smith. Motion Carried.

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DISCUSSION REGARDING FINAL AVERAGE SALARY STATUTE AND RULES RELATED THERETO, AS REQUESTED BY OKLAHOMA FOP. BOARD TO TAKE APPROPRIATE ACTION AS DEEMED NECESSARY.

Mr. Jarrod Leaman and Mr. Mark Nelson addressed the board with concerns about retirement calculations when officers had been furloughed at some point within their highest consecutive 30 months.

Motion by Ryan Perkins and second by W.B. Smith to continue until further research can take place. Ayes: Craig Akard, Tom Custer, Tony Davenport, Jim Keese, Susan Knight, Brandy Manek, Andy McPherson, Ryan Perkins, W.B. Smith, Frank Stone, Jeff Pierce, and Tim Foley. Absent: Rick Smith. Motion Carried.

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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); CASE 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); 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. 4:16-CV-838, IN RE TAILORED BRANDS, INC. (UNITED STATES DISTRICT COURT , SOUTHERN DISTRICT OF TEXAS); 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 W.B. Smith to enter into Executive Session (at approx. 11:00 am). Ayes: Craig Akard, Tom Custer, Tony Davenport, Jim Keesee, Susan Knight, Brandy Manek, Andy McPherson, Ryan Perkins, W.B. Smith, Jeff Pierce, and Tim Foley. Absent: Rick Smith and Frank Stone. Motion Carried.

Motion by Jim Keesee and second by Ryan Perkins to enter into Open Session (at approx. 11:04 am). Ayes: Craig Akard, Tom Custer, Tony Davenport, Jim Keesee, Susan Knight, Brandy Manek, Andy McPherson, Ryan Perkins, W.B. Smith, Jeff Pierce, and Tim Foley. Absent: Rick Smith and Frank Stone. Motion Carried.

Motion by W.B. Smith and second by Craig Akard to grant the Executive Director Settlement Authority in the Fifth Street Finance Corp. case. Ayes: Craig Akard, Tom Custer, Tony Davenport, Jim Keesee, Susan Knight, Brandy Manek, Andy McPherson, Ryan Perkins, W.B. Smith, Jeff Pierce, and Tim Foley. Absent: Rick Smith and Frank Stone. Motion Carried.

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NEW BUSINESS

No New Business

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BOARD MEMBERS' REPORTS

Mr. Andy McPherson reminded the board of the Western Oklahoma Law Enforcement Summit being held in Weatherford, OK July 18-21, 2016.

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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 Public Pension Funding Forum
 - August 21-23, 2016 – New Haven CT
- 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

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DIRECTOR'S REPORT

Mr. Snyder advised the board that the travel claim issues had been resolved and claims should pay on Friday. He also stated Ray Ix would be here in August and the Governor has issued a Governor's Declaration for the rules on June 9, 2016 and the rules would be effective August 25th.

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The meeting was adjourned at approximately 11:09am.

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.