

**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**

MARCH 25, 2015

The regular meeting of the Oklahoma Police Pension and Retirement Board was called to order by Chairman Ryan Perkins at approximately 9:00 a.m. on Wednesday, March 25, 2015, in the Board Room of the Oklahoma Police Pension and Retirement System.

MEMBERS PRESENT: Tom Custer, Tony Davenport, Jim Keesee, Susan Knight, Andy McPherson, Ryan Perkins, Rick Smith, W.B. Smith, Jeff Pierce, and Tim Foley.

OTHERS: Steven K. Snyder, Executive Director; Darcie Gordon, Administrative Officer; Deric Berousek, Chief Financial Officer; Lauren Holmes, Administrative Assistant; Kim Heaton, Attorney General's Office; and George Tarlas, Asset Consulting Group.

MEMBERS ABSENT: Craig Akard and Frank Stone

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Note Brandy Manek arrived at 9:12 a.m.

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HEARING - BOARD TO CONSIDER WRITTEN COMMENTS AND HEAR PUBLIC COMMENTS REGARDING PROPOSED AMENDMENTS TO THE FOLLOWING PERMANENT RULES:

TITLE 550: OKLAHOMA POLICE PENSION AND RETIREMENT SYSTEM

CHAPTER 1. ADMINISTRATIVE OPERATIONS

550:1-3-1 Powers of the Board [AMENDED]

CHAPTER 1. ADMINISTRATIVE OPERATIONS

550:1-3-2 Board Meetings [AMENDED]

CHAPTER 1. ADMINISTRATIVE OPERATIONS

550:1-7-2 Pension Vouchers [AMENDED]

Mr. Snyder advised the Board that the system has not received any request to make public comments nor has the system received any written comments.

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DISCUSS PROPOSED AMENDMENTS TO PERMANENT RULES LISTED IN AGENDA ITEM 2

No discussion of the above item.

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CONSIDERATION AND VOTE ON WHETHER TO ADOPT THE PROPOSED AMENDMENTS TO PERMANENT

A copy of the proposed amendments for Chapter 1: Administrative Operations is attached as Exhibit "A".

Motion by W.B. Smith and second by Tom Custer to adopt the proposed amendments to OAC 550, Chapter 1. Ayes: Tom Custer, Tony Davenport, Jim Keese, Susan Knight, Andy McPherson, Ryan Perkins, Rick Smith, W. B. Smith, Jeff Pierce and Tim Foley. Absent: Craig Akard, Brandy Manek, and Frank Stone. Motion Carried.

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HEARING: CASE NO. OPPRB 15-02, IN THE MATTER OF CHARLIE R. WELLMAN, WOODWARD – HEARING TO DETERMINE BENEFICIARY AND/OR BENEFICIARIES TO WHOM PENSION BENEFITS ARE TO BE AWARDED.

Mr. Snyder advised the board that the applicant had retained legal counsel and a continuance had been requested. The hearing is scheduled for May 20, 2015.

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APPROVAL OF MINUTES OF BOARD MEETING HELD FEBRUARY 18, 2015

Motion by Jeff Pierce and second by Rick Smith to approve the Minutes of the Regular Board Meeting held February 18, 2015. Ayes: Tom Custer, Jim Keese, Susan Knight, Ryan Perkins, Rick Smith, W. B. Smith, Jeff Pierce and Tim Foley. Abstain: Tony Davenport and Andy McPherson. Absent: Craig Akard, Brandy Manek, and Frank Stone. 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> |
|----------------------|-------------|
| Lauren R. Vincent | Choctaw |
| Michael E. Bowser | Clinton |
| Luke E. Davidson | Elk City |
| Matthew G. Worst | Elk City |
| Richard A. Warner | Fort Gibson |
| James J. Vogt | Lawton |
| Andrea M. Moore | Lexington |
| LeKeta M. Keith | Lindsay |
| Alexander T. Boren | Madill |
| Steven M. King | Madill |
| Nicholas R. Mattioda | McAlester |
| Jonathan L. O’Dell | McAlester |
| Eddie L. Kephart | Newcastle |
| Micah R. Mirick | Newcastle |
| Jerry D. White | Newcastle |
| Samuel R. Soutter | Pawhuska |
| Alonzo J. Cordova | Stillwater |
| Amanda L. Denton | Watonga |
| Joe D. Chitwood | Wetumka |
| Joel A. Luna, Jr. | Wetumka |
| Richard S. Jasna | Wewoka |
| Brandon M. Haefner | Bristow |
| Dustin L. Thomas | Bristow |
| Donald A. Rogers | Choctaw |

| | |
|------------------------------|-----------|
| Bradley Jenkins | Comanche |
| Brian D. Martin, Jr. | Eufaula |
| Filemon Vasquez-Fonseca, Jr. | Guthrie |
| Eric S. Ringgold | Henryetta |
| David L. Sloan | Perkins |
| Coty A. Biles | Sallisaw |
| Charles B. Brunk | Sallisaw |
| Christopher C. Johnson | Sayre |
| Shala M. Richardson | Shawnee |
| Cory M. Smith | Skiatook |
| Nathen J. Colbert | Stigler |

b. Application for Refund of Contributions:

| <u>Name</u> | <u>City</u> |
|---|---------------|
| Timothy W. Anderson | Madill |
| Justin Wood | Muskogee |
| Daniel G. Lawton, Jr. | Norman |
| Paul R. Swanner | Norman |
| Shawn D. Sutter | Okmulgee |
| Scott A. Doty | Perry |
| Shawn Carter | Prague |
| Floyd W. Owens | Pryor |
| Darren C. Briley | Shawnee |
| Larry Lane, Jr. | Tahlequah |
| Joshua Dawson | Weatherford |
| Cassidy Barker, Surviving Child of Candice M. Parker | Ardmore |
| Cory A. Kenyon | Atoka |
| Bryan K. Burch | Clinton |
| Elmer Allen | Edmond |
| Christopher Black | Elk City |
| La'Trenda Sanders | Harrah |
| Charles W. Moles | Hobart |
| Michael Powell | Norman |
| Jared Wade | Norman |
| Virgil G. Gibbs | Oklahoma City |
| Daniel Holtzclaw | Oklahoma City |
| Jennifer Peek | Oklahoma City |
| Eric Walke | Owasso |
| Michelle L. Pitts | Sallisaw |

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> |
|-------------------|---------------|----------------------|----------------------------------|
| Kevin Morris | Enid | 04/01/2010 | 04/01/2015 |
| Gary L. Wansick | McAlester | 04/01/2010 | 04/01/2015 |
| Kimberlee Flowers | Oklahoma City | 05/01/2010 | 05/01/2015 |
| Joseph B. Hill | Oklahoma City | 04/01/2010 | 04/01/2015 |
| Michael McPherson | Oklahoma City | 05/01/2010 | 05/01/2015 |
| Timothy K. Owen | Edmond | 02/01/2010 | 02/01/2015 |

| | | | |
|-------------------|---------------|------------|------------|
| Joan Rupert | Oklahoma City | 05/01/2010 | 05/01/2015 |
| Russell I. Frantz | Shawnee | 04/01/2014 | 04/01/2015 |

d. Application for Service Pension:

| | | |
|------------------|-------------|------------------|
| <u>Name</u> | <u>City</u> | <u>Eff. Date</u> |
| Steven R. Martin | Lawton | 05/01/2015 |

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

| | |
|--|---------------|
| <u>Name</u> | <u>City</u> |
| Steven E. Raiford, Personal Rep. of Dorothy J. Raiford | Tulsa |
| Judy A. Handke & Barbara J. Shahan, Co-Personal Reps. of Juanita Mae Bailey | Oklahoma City |

f. Termination of Benefit:

| | |
|--------------------|---------------|
| <u>Name</u> | <u>City</u> |
| Dorothy J. Raiford | Tulsa |
| Juanita M. Bailey | Oklahoma City |

g. Application for Vested Benefit:

| | | |
|------------------------|-------------|------------------|
| <u>Name</u> | <u>City</u> | <u>Eff. Date</u> |
| Dustin E. Horstkoetter | Moore | 07/05/2025 |

h. Death Benefit:

| | |
|---|---------------|
| <u>Name</u> | <u>City</u> |
| Debra K. Homer, widow of Raymond E. Homer, Jr. | Oklahoma City |
| Linda L. Karr, widow of James W. Karr | Tulsa |

i. Continuation of Benefit:

| | |
|---|---------------|
| <u>Name</u> | <u>City</u> |
| Debra K. Homer, widow of Raymond E. Homer, Jr. | Oklahoma City |
| Linda L. Karr, widow of James W. Karr | Tulsa |

Motion by W.B. Smith and second by Jeff Pierce for approval of applications for Police Deferred Option Plan, Participation, Service Pension, Refunds and Benefits and the Addendum. Ayes: Tom Custer, Tony Davenport, Jim Keese, Susan Knight, Andy McPherson, Ryan Perkins, Rick Smith, W. B. Smith, Jeff Pierce and Tim Foley. Absent: Craig Akard, Brandy Manek, 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 "B"; the Account #8557A, Fund Expenditures (receipts and disbursements), report for February 2015 is attached as Exhibit "C"; the Broker Commission Report is attached as Exhibit "D"; and the report for the Statement of Total Fund is attached as Exhibit "E."

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ASSET CONSULTING GROUP – FINANCIAL CONSULTANT REPORT FOR MONTH ENDED FEBRUARY 28, 2015, 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 February 28, 2015, a copy of which is attached as Exhibit “F”. As of February 28, 2015, the total Fund was approximately \$2,251,704,000.00. The one-year return net of fees for the total Fund is 5.95%.

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CONSIDERATION AND VOTE ON WHETHER TO RENEW OR TERMINATE CONTRACTS FOR THE FOLLOWING PROFESSIONAL SERVICES.

- a. BYN Mellon Trust – Custodial Services
- b. Asset Consulting Group, Inc. – Investment Consulting Services
- c. Buck Consultants – Actuarial Services
- d. Finley & Cook, PLLC – Auditing Services
- e. Davis Graham & Stubbs LLP – Legal Services (Tax/Litigation)
- f. Wiggins Properties – Property Management Services
- g. Oklahoma Attorney General – Legal Services

Motion by W.B. Smith and second by Jeff Pierce to renew the professional service contracts listed (a-g). Ayes: Tony Davenport, Jim Keesee, Susan Knight, Brandy Manek, Andy McPherson, Ryan Perkins, Rick Smith, W. B. Smith, Jeff Pierce and Tim Foley. Absent: Craig Akard, Tom Custer, and Frank Stone. Motion Carried.

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CONSIDERATION AND VOTE ON WHETHER TO RENEW OR TERMINATE CONTRACTS FOR THE FOLLOWING INVESTMENT MANAGERS.

International Equity:

- Baring Investment Series, LLC.
- Mondrian Investment Partners
- Vontobel Asset Management, Inc.
- Wasatch Advisors

Domestic Equity:

- Boston Partners Asset Management L. P.
- Cortina Capital

Long/Short Equity:

- Grosvenor Long/Short Equity Fund, Ltd.
- Grosvenor Class-B

Index Fund:

- Northern Trust Asset Management

Global Fixed Income:

- Agincourt Capital Management LLP
- Oaktree Capital Management LLC
- Loomis Sayles

Low Volatility

- Pacific Alternative asset Management Company (PAAMCO)

Real Assets:

- Blackstone Property Partners
- Gresham Investments (TAP Fund)
- J.P. Morgan Asset Management
- MLM Macro – Peak Partners L.P.

Motion by Andy McPherson and second by Rick Smith to renew the investment managers contracts listed. Ayes: Tom Custer, Tony Davenport, Jim Keesee, Susan Knight, Brandy Manek, Andy McPherson, Ryan Perkins, Rick Smith, W. B. Smith, Jeff Pierce and Tim Foley. Absent: Craig Akard and Frank Stone. 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 reviewed the 2015 Bill Portfolio, a copy of which is attached as Exhibit “G”.

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LITIGATION REPORT – PROPOSED EXECUTIVE SESSION, IF DEEMED NECESSARY BY LEGAL COUNSEL TO DISCUSS 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

Motion by Jim Keesee and second by Tony Davenport to go into Executive Session (at approx.. 10:00am). Ayes: Tom Custer, Tony Davenport, Jim Keesee, Susan Knight, Brandy Manek, Andy McPherson, Ryan Perkins, Rick Smith, W. B. Smith, Jeff Pierce and Tim Foley. Absent: Craig Akard and Frank Stone. Motion Carried.

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

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

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NEW BUSINESS

No new business

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BOARD MEMBERS' REPORTS

Mr. Ryan Perkins mentioned that since the last board meeting that Sean had been to Tulsa and presented the OPPRS Retirement Seminar with about 150 in attendance.

Mr. Tony Davenport also mentioned that he had called on Steve for information for the OML Board and they were very thankful for his assistance.

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

Mr. Snyder advised the board that NCPERS is May 3-7, 2015 in New Orleans, LA., IFEBP CAPP with Pensions I & II, June 9-12, 2015 in Chicago, IL, OPFTEC, September 23-25, 2015 at the Postal Training Center in Norman, 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

He stated elections for Districts 1 & 4 would not be necessary as Tom Custer and Jim Keese were the only Nomination Petitions returned. Therefore, they automatically become the representatives for their respective districts. The results will be certified at the April meeting. He noted the April Investment Mangers Meeting would be at Twelve Oaks. He also stated that the Annual Tennant Appreciation Lunch would be held after the May Board Meeting and Ray lx would be here in July.

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The meeting was recessed at approximately 10:20 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.