

**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**

MAY 21, 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, May 21, 2014, in the Board Room of the Oklahoma Police Pension and Retirement System.

MEMBERS PRESENT: Craig Akard, Tom Custer, Tony Davenport, Jim Keesee, Andy McPherson, Ryan Perkins, Rick Smith, Frank Stone, and Tim Foley.

OTHERS: Steven K. Snyder, Executive Director; Darcie Gordon, Administrative Officer; Deric Berousek, Chief Financial Officer; Kim Heaton, Attorney General's Office; Jason Pulos and Mike Hotz, Asset Consulting Group; David Kent and Matthew Smith, Buck Consulting Group; Gary Jones, State Auditor and Inspector; and Johnathan Klecka.

MEMBERS ABSENT: Susan Knight, Brandy Manek, W.B. Smith, and Jeff Pierce

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Note Brandy Manek arrived at approximately 9:32 a.m. and Rick Smith left at approximately 9:50 a.m.

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APPROVAL OF MINUTES OF BOARD MEETING HELD APRIL 16, 2014

Motion by Tom Custer and second by Craig Akard to approve the Minutes of the Regular Board Meeting held April 16, 2014. Ayes: Craig Akard, Tom Custer, Tony Davenport, Jim Keesee, Andy McPherson, Ryan Perkins, Rick Smith, Frank Stone, and Tim Foley. Absent: Susan Knight, Brandy Manek, W.B. Smith, and Jeff Pierce. Motion Carried.

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BUCK CONSULTANTS – DISCUSSION AND POSSIBLE VOTE REGARDING AMORTIZATION SCHEDULE FOR UNFUNDED LIABILITY. BOARD TO TAKE APPROPRIATE ACTION AS DEEMED NECESSARY.

Mr. David Kent and Mr. Matthew Smith presented Funding Policy Amortization Period Presentation to the Retirement Board, May 21, 2014, a copy of which is attached as Exhibit "A", and the Funding Policy Letter, May 13, 2014, a copy of which is attached as Exhibit "B".

Motion by Frank Stone and second by Ryan Perkins to reset the amortization schedule to a 5 year rolling schedule. Ayes: Craig Akard, Tom Custer, Tony Davenport, Jim Keesee, Andy McPherson, Ryan Perkins, Rick Smith, Frank Stone, and Tim Foley. Absent: Susan Knight, Brandy Manek, 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>
Joshua D. Harrington	Atoka
Matthew J. Haines	Blanchard
Jordan Jones	Blanchard
Jeffrey Porter	Blanchard
Brittany J. Mayer	Chickasha
James M. Cochran	Choctaw
Laura R. Hill	Choctaw
Patrick T. Hepner	Coweta
Torri W. Anderson	Davis
Zackary M. Fleming	Elk City
Zachary S. Lee	Hobart
Gary N. Johnson	Idabel
James E. Hill, II	Midwest City
Francisco X. Franco	Moore
Horace McGloster, III	Moore
Timothy R. Bean	Okmulgee
Roger A. Myatt	Ponca City
Cody M. Womack	Ponca City
Matthew W. Hines	Savanna
BoMicheal Munholland	Savanna
Joshua D. Hayes	Sayre
Hugh E. Odom	Sulphur
Austin C. Yates	Tahlequah
Michael J. Cawiezell	Tulsa
John L. Woods	Tulsa
Dustin A. Biggs	Yukon
Gabriel R. Alexander	Wewoka
Belen Rodriguez	Choctaw
Curtis Paslay	Coweta
Charles Rogers	Davis
Mark A. Dressler	Skiatook

b. Application for Refund of Contributions:

<u>Name</u>	<u>City</u>
Gregory D. Fullingim	Ardmore
Bobby Kehn	Blackwell
Ericka M. Melby	Bartlesville
Joshua Davis	Drumright
Justin Hale	Miami
Kalyssa Holland	Muskogee
Ronald D. Hammack	Perkins
Thomas Hallsted	Purcell
James W. Miller	Purcell
Nicholas Arnn	Sayre
Derrick Perryman	Sulphur

Trevor D. Ridgeway	Weatherford
Jimmy McBee	Broken Arrow
William McKee	Davis
Rick A. Grumann	El Reno
Charles Jackson	Muskogee
Erik Haworth	Seminole

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>
David Edwards	Anadarko	05/01/2009	06/01/2014
Keith A. Logue	Lawton	06/01/2009	06/01/2014
Bryan Stark	Muskogee	04/01/2012	06/01/2014
Timothy J. Kraeger	Oklahoma City	05/01/2009	05/01/2014
Kendall Satterwhite	Oklahoma City	05/01/2009	05/01/2014
Paula S. Schonauer	Oklahoma City	05/01/2012	05/01/2014
Danny Elliott	Tulsa	09/01/2010	05/01/2014
Charles F. Miller	Lawton	06/01/2009	06/01/2014
Thomas A. Jones	Tahlequah	01/01/2014	07/01/2014
Derrek Lewis	Tulsa	06/01/2009	06/01/2014
Janet L. Miller	Tulsa	06/01/2009	06/01/2014
Donald Pierce	Tulsa	06/01/2009	06/01/2014
Linton A. Wilson	Tulsa	06/01/2009	06/01/2014
Ronald J. Mathews	Yukon	06/01/2009	06/01/2014

d. Application for Service Pension:

<u>Name</u>	<u>City</u>	<u>Eff. Date</u>
Anthony J. Hill	Edmond	06/01/2014

e. Death Benefit:

<u>Name</u>	<u>City</u>
Maegan Heuser-Baker, Personal Rep. of Oscar R. Hunt	Tulsa
Carole L. Morris, widow of Dennit E. Morris	Tulsa
Dora N. Sawyer, widow of Frank D. Sawyer	Tulsa
Shawn M. Young, Personal Rep. of Eva D. Young	Bartlesville
Russell "Shane" Neal, Personal Rep. of Norma L. Neal	Oklahoma City
Elizabeth L. Harrison, widow of David F. Harrison	Tulsa
Kay F. Miller, widow of James A. Miller	Tulsa

f. Continuation of Benefit:

<u>Name</u>	<u>City</u>
Carole L. Morris, widow of Dennit E. Morris	Tulsa
Dora N. Sawyer, widow of Frank D. Sawyer	Tulsa
Elizabeth L. Harrison, widow of David F. Harrison	Tulsa
Kay F. Miller, widow of James A. Miller	Tulsa

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

<u>Name</u>	<u>City</u>
Maegan Heuser-Baker, Personal Rep. of Oscar R. Hunt	Tulsa
Shawn M. Young, Personal Rep. of Eva D. Young	Bartlesville
Russell "Shane" Neal, Personal Rep. of Norma L. Neal	Oklahoma City
Janice A. Brookshire, Personal Rep. of Elizabeth L. Johnson	Oklahoma City

- h. Termination of Benefit:

<u>Name</u>	<u>City</u>
Oscar R. Hunt	Tulsa
Eva D. Young	Bartlesville
Norma L. Neal	Oklahoma City
Elizabeth L. Johnson	Oklahoma City

- i. Terminate Deferred Option Plan to Begin Service Pension:

<u>Name</u>	<u>City</u>	<u>Eff. Date</u>
Gary L. Anderson	Miami	03/01/2011

Motion by Craig Akard and second by Tony Davenport 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, Andy McPherson, Ryan Perkins, Rick Smith, Frank Stone, and Tim Foley. Absent: Susan Knight, Brandy Manek, 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 "C"; the Account #8557A, Fund Expenditures (receipts and disbursements), report for April 2014 is attached as Exhibit "D"; the Broker Commission Report is attached as Exhibit "E"; and the report for the Statement of Total Fund is attached as Exhibit "F."

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ASSET CONSULTING GROUP – FINANCIAL CONSULTANT REPORT FOR MONTH ENDED APRIL 30, 2014, QUARTERLY REPORT FOR QUARTER ENDED MARCH 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 April 30, 2014, a copy of which is attached as Exhibit "G". As of March 31, 2014, the total Fund was approximately \$2,165,069.00. The one-year return net of fees for the total Fund is 11.07%.

Mr. Jason Pulos reviewed the Quarterly Report for quarter ended March 31, 2014, a copy of which is attached as Exhibit "H".

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ASSET CONSULTING GROUP – REVIEW OF CURRENT PORTFOLIO BALANCING AND SPECIFIC RECOMMENDATIONS FOR NEW PRIVATE EQUITY COMMITMENTS. BOARD TO TAKE ACTION AS DEEMED NECESSARY.

Mr. Mike Hotz reviewed the Oklahoma Police Pension and Retirement System Private Equity Update, May 21, 2014, a copy of which is attached as Exhibit “I”.

Motion by Tony Davenport and second by Ryan Perkins to commit \$5,000,000.00 to Firstmark Capital Opportunity Fund I, L.P. Ayes: Craig Akard, Tom Custer, Tony Davenport, Jim Keesee, Brandy Manek, Andy McPherson, Ryan Perkins, Rick Smith, Frank Stone, and Tim Foley. Absent: Susan Knight, W.B. Smith, and Jeff Pierce. Motion Carried.

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

Mr. Mike Hotz reviewed the Oklahoma Police Pension & Retirement System Long-Only/Long-Biased Commodities Search, May 21, 2014, a copy of which is attached as Exhibit “J”.

Motion by Ryan Perkins and second by Tom Custer to select Blackstone Alternative Asset Management LP – Resources Select Fund, CoreCommodity Management LLC – Diversified I, and Gresham Investment Management LLC – TAP Fund, as finalist to present to the board at the June meeting. Ayes: Craig Akard, Tom Custer, Tony Davenport, Jim Keesee, Brandy Manek, Andy McPherson, Ryan Perkins, Frank Stone, and Tim Foley. Absent: Susan Knight, W.B. Smith, Rick Smith, and Jeff Pierce. Motion Carried.

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FINLEY & COOK, PLLC – CERTIFICATION OF ELECTION RESULTS FOR STATE BOARD DISTRICTS 3 AND 6. BOARD TO TAKE APPROPRIATE ACTION AS DEEMED NECESSARY.

Motion by Tom Custer and second by Ryan Perkins to approve Certification of Election Results for state board districts 3 and 6. Ayes: Craig Akard, Tom Custer, Tony Davenport, Jim Keesee, Brandy Manek, Andy McPherson, Ryan Perkins, Frank Stone, and Tim Foley. Absent: Susan Knight, W.B. Smith, Rick Smith, and Jeff Pierce. Motion Carried.

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REVIEW BUDGET WORK PROGRAM FOR FISCAL YEAR BEGINNING JULY 1, 2014, AND ENDING JUNE 30, 2015. BOARD TO TAKE APPROPRIATE ACTION AS DEEMED NECESSARY.

Mr. Steven Snyder reviewed the Budget Work Program for Fiscal Year beginning July 1, 2014 – June 30, 2015, a copy of which is attached as Exhibit “K”.

Motion by Craig Akard and second by Tom Custer to approve the Budget Work Program for fiscal year beginning July 1, 2014 and ending June 30, 2015. Ayes: Craig Akard, Tom Custer, Tony Davenport, Jim Keesee, Brandy Manek, Andy McPherson, Ryan Perkins, Frank Stone, and Tim Foley. Absent: Susan Knight, W.B. Smith, Rick Smith, and Jeff Pierce. Motion Carried.

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BOARD TO RATIFY EXECUTIVE DIRECTOR'S ACTIONS REGARDING AUTHORIZING LABATON SUCHAROW TO SEEK LEAD PLAINTIFF ON BEHALF OF OPPRS IN LITIGATION RELATED TO WEIGHT WATCHERS INTERNATIONAL, INC. BOARD TO TAKE APPROPRIATE ACTION AS DEEMED NECESSARY.

Motion by Tony Davenport and second by Tom Custer to ratify Executive Director's actions regarding authorizing Labaton Sucharow to seek lead plaintiff on behalf of OPPRS in litigation related to Weight Watchers International, Inc. Ayes: Craig Akard, Tom Custer, Tony Davenport, Jim Keesee, Brandy Manek, Andy McPherson, Ryan Perkins, Frank Stone, and Tim Foley. Absent: Susan Knight, W.B. Smith, Rick Smith, and Jeff Pierce. 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 Board Info Bill Portfolio, a copy of which is attached as Exhibit "L". It contained 9 bills that related to pension systems.

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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

Mr. Steven Snyder advised that all the cases were still in the same status as last month.

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NEW BUSINESS

No new business

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BOARD MEMBERS' REPORTS

Mr. Jim Keesee stated he and Tom Custer had attended the NCPERS conference in Chicago, IL.

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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, OPFTEC would be in Norman, OK September 24-26, 2014, and ACG would be holding an Educational Forum on June 11th, 2014.

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DIRECTOR'S REPORT

Mr. Snyder reported that the RFP for Actuarial Audit Services was posted and sent out last Monday (May 19, 2014), the rules were on the agenda to be heard today, and the Tenant Appreciation Lunch would follow the meeting today.

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The meeting was adjourned at approximately 10:37 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.