

**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**

OCTOBER 15, 2014

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, October 15, 2014, in the Board Room of the Oklahoma Police Pension and Retirement System.

MEMBERS PRESENT: Craig Akard, Jim Keesee, Brandy Manek, Ryan Perkins, Rick Smith, W.B. Smith, Frank Stone, and Jeff Pierce.

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

MEMBERS ABSENT: Tom Custer, Tony Davenport, Susan Knight, Andy McPherson, and Tim Foley.

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APPROVAL OF MINUTES OF BOARD MEETING HELD SEPTEMBER 17, 2014

Motion by W.B. Smith and second by Jim Keesee to approve the Minutes of the Regular Board Meeting held September 17, 2014. Ayes: Craig Akard, Jim Keesee, Brandy Manek, Ryan Perkins, Rick Smith, W.B. Smith, Frank Stone, and Jeff Pierce. Absent: Tom Custer, Tony Davenport, Susan Knight, Andy McPherson, and Tim Foley. 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>
Ethan D. Alexander	Anadarko
Michael B. Bruggman	Cushing
Jeffery W. Wallace	Lindsay
Steven C. Warrior	Muskogee
Jordan W. Corn	Nichols Hills
Jarred J. McHenry	Nichols Hills
Ryan W. Robison	Nowata
James D. Shepard	OBNDD
Steven N. Bousman	Oklahoma City
Brett R. Coffey	Oklahoma City
Miles C. Fikes	Oklahoma City
Sarah L. Foster	Oklahoma City
Anthony S. Glover	Oklahoma City
Christian C. Hoehner	Oklahoma City
Michael E. Johnson	Oklahoma City

Troy R. Nitzky	Oklahoma City
Jon N. Perieda	Oklahoma City
Russell C. Ridener, II	Oklahoma City
Joshua S. Sanders	Oklahoma City
Clifton D. Taylor	Oklahoma City
Christian C. Torres	Oklahoma City
Wei N. Zhang	Oklahoma City
Tara L. Winter	Poteau
Christopher L. Penland	Pryor
Alex B. Massie	Ringling
Brian L. DeGraffenried	Savanna
Anthony E. Runyon	Savanna
Ryan L. Underwood	Skiatook
Caleb B. Cawhorn	Yukon
Kevin P. Kees	Yukon
Chase M. Kovarik	Yukon
Carl B. Tucker	Yukon
Dustin J. Cook	Valley Brook
David W. Ivey	Valley Brook
Sean D. Knight	Valley Brook
Michael J. Rosenquist	Valley Brook
Patrick W. Garrett	Vinita
Jose E. Diaz, II	Weatherford
Troy W. Freeborn	Weatherford
Ashlan N. Lambert	Woodward
Jason M. Smith	Anadarko
Bobby D. Pickett	Coweta
Michael S. Mullins	Ft. Gibson
Anthony S. Aho	Idabel
Cameron L. Cole	Idabel
Dustin D. Wisdom	Muskogee

b. Application for Refund of Contributions:

<u>Name</u>	<u>City</u>
Teresa Cabello-Corp	Comanche
Frank Tinga	El Reno
Matthew Sherwood	Eufaula
Johnny R. Miller	Madill
Patrick T. O'Neal	Madill
Jamie D. Heimbach	Muskogee
Pedro Zardeneta	Muskogee
David Jenkins	Norman
Michael Guthrie	Nowata
Stacy Carpenter	Oklahoma City
Kyle B. Hewett	Pauls Valley
William F. Britton	Yukon
Matthew Durkee	Woodward
Leon Rademacher	Broken Arrow
Michelle R. McEwing	Enid
Gary Johnson	Idabel

Stephen Rhodes	The Village
Eric Hill	Tulsa
William F. Britton	Yukon

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>
Christopher A. Coker	Purcell	04/01/2013	11/01/2014
Glenn D. Johnston	Miami	12/01/2010	10/01/2014
Thomas L. Pringle	Shawnee	10/01/2009	10/01/2014
John C. Murray	Tulsa	10/01/009	10/01/2014
Michael A. White	Altus	11/01/2010	10/01/2014
Jeff Suttmiller	Enid	11/01/2009	11/01/2014
James L. Nobles	Frederick	02/01/2013	11/01/2014
Lisa Capshaw	Oklahoma City	11/01/2009	11/01/2014
Michael R. Hoskins	Oklahoma City	11/01/2009	11/01/2014
Darla T. James	Yukon	07/01/2014	11/01/2014
John W. Loflin, Jr.	Oklahoma City	11/01/2009	11/01/2014
Steven W. McCool	Oklahoma City	11/01/2009	11/01/2014
Ronald K. Thomas	Oklahoma City	11/01/2009	11/01/2014
Kevin Woolfolk	Oklahoma City	11/01/2009	11/01/2014

d. Application for Vested Benefit:

<u>Name</u>	<u>City</u>	<u>Eff. Date</u>
Timothy J. Scott	Altus	12/03/2016
Cliff Walker	Chickasha	01/10/2029
Justin Weaver	Moore	06/02/2028
James Hamlin	Muskogee	06/24/2024
Kristy Sorrels	Oklahoma City	07/16/2027

e. Death Benefit:

<u>Name</u>	<u>City</u>
Vicki Strike, widow of Joe R. Day	Tulsa

f. Continuation of Benefit:

<u>Name</u>	<u>City</u>
Vicki Strike, widow of Joe R. Day	Tulsa

g. Terminate Deferred Option Plan to Begin Service Pension:

<u>Name</u>	<u>City</u>	<u>Eff. Date</u>
Bruce Davis	Oklahoma City	12/01/2014

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 and the Addendum. Ayes: Craig Akard, Jim Keesee, Brandy Manek, Ryan Perkins, Rick Smith, W.B. Smith, Frank Stone, and Jeff Pierce. Absent: Tom Custer, Tony Davenport, Susan Knight, Andy McPherson, and Tim Foley. 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 September 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 AUGUST 31, 2014 AND DISCUSSION ON REBALANCING PORTFOLIO ASSETS AMONG VARIOUS ASSET STRATEGIES AND MANAGERS. BOARD TO TAKE APPROPRIATE ACTION AS DEEMED NECESSARY.

Chairman Ryan Perkins advised the board that the Financial Consultant Report was actually for month ended September 30, 2014, not August 31, 2014 as the agenda item states.

Mr. George Tarlas reviewed the ASAP report for the month ended September 30, 2014, a copy of which is attached as Exhibit "E". As of September 30, 2014, the total Fund was approximately \$2,191,768,000.00. The one-year return net of fees for the total Fund is 9.02%.

Mr. Ryan Perkins asked for an explanation of the "Special Distributions" on pg. 7. Mr. George Tarlas indicated that it was a return of fees from Siguler Guff.

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DISCUSSION AND POSSIBLE VOTE REGARDING STATUTORY REQUIREMENT THAT ALL STATE AGENCIES HAVE A LEGISLATIVE LIAISON WHO SHALL BE REGISTERED WITH THE OKLAHOMA ETHICS COMMISSION. BOARD TO TAKE APPROPRIATE ACTION AS DEEMED NECESSARY.

Motion by W.B. Smith and second by Jim Keesee that the Oklahoma Police Pension and Retirement System comply with the new statutory requirements to have a Legislative Liaison registered with the Oklahoma Ethics Commission. Ayes: Craig Akard, Jim Keesee, Brandy Manek, Ryan Perkins, Rick Smith, W.B. Smith, Frank Stone, and Jeff Pierce. Absent: Tom Custer, Tony Davenport, Susan Knight, Andy McPherson, and Tim Foley. Motion Carried.

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LITIGATION REPORT – PROPOSED EXECUTIVE SESSION, IF DEEMED NECESSARY BY LEGAL COUNSEL TO DISCUSS CASE NO. 3:14-CV-02564, IN RE INFOBLOX, 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. Snyder stated that all the cases had no change. Oklahoma Police Pension and Retirement System is lead plaintiff in; Infoblox, Weight Watchers, and Dole Food. US Bank has been settled and the claims administrator was making payment arrangements. Tempur-Pedic has been dismissed and OPPRS is appealing the dismissal. OPPRS is in the process of seeking lead plaintiff in the Tibor case.

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NEW BUSINESS

Mr. Craig Akard stated he had attended some very informative session at IFEBP in Boston, MA and would like to see a couple of things implemented at OPPRS. He would like to have a rule/policy that stated how often the service contracts were reviewed and he would also like to add a IT/Communications person to handle social media for the agency. He would like to see Facebook and Twitter set up for the agency.

Mr. Ryan Perkins also said that he would like to see OPPRS ask all of its vendors/managers for a reduction of fees each year.

Mr. George Tarlas added that Asset Consulting Group did ask each manager for a reduction in fees each year and many times they do get them.

Mr. Rick Smith brought up the question of same sex marriage and how OPPRS was going to handle the situation as he had already been getting questions. Mr. Snyder advised that the OPPRS statutes did not reference husband/wife, only surviving spouse. Ms. Kim Heaton added that the Oklahoma Attorney General had been looking into the issue but had not made an official ruling. Mr. Snyder advised that until we had an official ruling from the Oklahoma Attorney General, OPPRS would use 1/18/14 as the date based on the Supreme Court not hearing the case.

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BOARD MEMBERS' REPORTS

Mr. Jim Keesee advised that he had attended a session at IFEBP in Boston, MA that talked about the changes to the Defined Benefit Plan and that 35 out of the 50 states had made changes to their plans in the last year.

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

Mr. Craig Akard advised that the IFEBP Conference in Boston, MA was very informative.

Mr. Snyder advised the board that NCPERS was May 3-7, 2015 in New Orleans, LA., IFEBP CAPPP with Pensions I & II, June 9-12, 2015 in Chicago, IL, and IFEBP Annual Conference, Nov. 8-11, in Honolulu, HI.

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DIRECTOR'S REPORT

Mr. Snyder reported that Senate Interim Study S14-001, may not go forward based on conversations and conference calls he had been included in. House Interim Study H14-005, the regular study of the pension systems by Rep. McDaniel, is going forward and would meet on November 12, 2014. He also stated the Annual Reports and 2014 Pension Books were at the printers and would be mailed soon.

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The meeting was recessed at approximately 10:42 a.m.

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Vice Chairman Jeff Pierce called the meeting back to order at approximately 1:00 p.m.

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A quorum of the board was not present for this portion of the meeting.

The representatives of the investment managers listed below made presentations to the Board which included a brief overview of the presenter and their firm, any relevant changes within their organization, their outlook on the financial marketplace, and how their portfolio is positioned to take advantage of that outlook, etc.:

LOOMIS SAYLES

John A. Cardinali,
Raffaello Distefano

TA ASSOCIATES

Jim Raisides
Alan Brand

MONDRIAN

Stephen W. Starnes
Andrew Porter

BOSTON PARTNERS

George Gumpert
David Gullen

CORTINA

Jim Klaus
Brian Bies

A quorum of the Board did not attend a reception/dinner, held at OPUS Prime Steakhouse, 800 W. Memorial Rd, Oklahoma City, OK.

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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.