

**MINUTES OF THE REGULAR MEETING OF THE  
OKLAHOMA POLICE PENSION AND RETIREMENT BOARD**

**Board Room  
1001 N.W. 63<sup>rd</sup> Street, Suite 305  
Oklahoma City, Oklahoma 73116**

**SEPTEMBER 17, 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, September 17, 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, Brandy Manek, Andy McPherson, Ryan Perkins, Rick Smith, W.B. Smith, Frank Stone, and Tim Foley.

OTHERS: Steven K. Snyder, Executive Director; Darcie Gordon, Administrative Officer; Sean Ruark, Pension Administration Officer; Deric Berousek, Chief Financial Officer; Judy Cong, Comptroller, Jan Presler, Attorney General's Office; Jason Pulos, Asset Consulting Group; Nate Atchison, Finley & Cook, PLLC.; David Kent and Matthew Smith, Buck Consultants, LLC.; and Daniel Figueroa, Oklahoma Insurance Department.

MEMBERS ABSENT: Jeff Pierce

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**APPROVAL OF MINUTES OF BOARD MEETING HELD AUGUST 20, 2014**

Motion by W.B. Smith and second by Tony Davenport to approve the Minutes of the Regular Board Meeting held August 20, 2014. Ayes: Tom Custer, Tony Davenport, Jim Keesee, Susan Knight, Andy McPherson, Ryan Perkins, Rick Smith, W.B. Smith, Frank Stone, and Tim Foley. Abstain: Craig Akard and Brandy Manek. Absent: Jeff Pierce. Motion Carried.

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**BUCK CONSULTANTS, LLC – ACTUARIAL VALUATION REPORT AS OF JULY 1, 2014.  
BOARD TO TAKE APPROPRIATE ACTION AS DEEMED NECESSARY.**

Mr. David Kent and Mr. Matt Smith presented the "July 1, 2014 Actuarial Valuation Presentation to the Retirement Board", a copy is attached as Exhibit "A".

Motion by W.B. Smith and second by Andy McPherson to approve the 2014 Actuarial Report as presented by Buck Consultants, LLC. Ayes: Craig Akard, Tom Custer, Tony Davenport, Jim Keesee, Susan Knight, Brandy Manek, Andy McPherson, Ryan Perkins, Rick Smith, W.B. Smith, Frank Stone, and Tim Foley. Absent: Jeff Pierce. Motion Carried.

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**FINLEY & COOK, PLLC – AUDIT REPORT AS OF JUNE 30, 2014. BOARD TO TAKE APPROPRIATE ACTION AS DEEMED NECESSARY.**

Mr. Nate Atchison presented the "*Financial Statements, June 30, 2014 and 2013 (With Independent Auditors' Report Thereon)*" including "*The Auditors' Communication with Those Charged with Governance*", a copy is attached as Exhibit "B".

Motion by Tony Davenport and second by Tom Custer to approve the 2014 Audit Report as presented by Finley & Cook, PLLC. Ayes: Craig Akard, Tom Custer, Tony Davenport, Jim Keese, Susan Knight, Brandy Manek, Andy McPherson, Ryan Perkins, Rick Smith, W.B. Smith, Frank Stone, and Tim Foley. Absent: 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>
Brandon M. Winter	Choctaw
Michael P. Mayer, Jr.	Dewey
Matthew R. Lott	Ft. Gibson
Jeremiah M. Eslick	Haskell
Jacob Hamblett	Miami
Sean P. McDonald	Miami
Cody W. Workman	Miami
Justin W. Caffey	Newkirk
Scott A. King	Newkirk
Jessica R. Legendre	Norman
George W. Farmer, IV	Perkins
Daniel A. Morrison	Ponca City
Robert S. Leitz	Sayre
Keith D. Denton	Tonkawa
Jonathan W. DeJesus	Watonga
Joe H. Hankins	Altus
Jessica A. Sly	Altus
Kevin C. Everley	Enid
Richard J. Jacobs	Enid
Kendry J. Solano Gerez	Enid
Clifford A. Beloncik	Oklahoma City
Jeremey T. Campbell	Oklahoma City
David S. Castoe	Oklahoma City
Amanda D. Foley	Oklahoma City
Christopher D. Green	Oklahoma City
Justin N. Jarrett	Oklahoma City
Todd M. Judkins	Oklahoma City
Jonathan C. Murch	Oklahoma City
Dorsey K. Robinson	Oklahoma City
Gregory S. Salyers	Oklahoma City
Robert R. Sandoval	Oklahoma City
Grant T. Wheeler	Oklahoma City
Joshua L. Girdner	Tahlequah

b. Application for Refund of Contributions:

<u>Name</u>	<u>City</u>
Aaron Hebert	Norman
Jason K. Orr	Norman
Brian Alexander	Piedmont
Bo Munholland	Savanna
Jonathan Webb	Shawnee
Chris A. Berry	Wetumka
Matthew Haynie	Woodward
Russell J. Hansel	Altus
Ryan Allison	Bartlesville
Rodney Hawkins	Clinton
David Dry	Haskell
Tyler Cotrone, Surviving Child of Thomas Cotrone	Norman
Sean P. Floyd	Vinita

c. Terminate Deferred Option Plan to Begin Service Pension:

<u>Name</u>	<u>City</u>	<u>Eff. Date</u>
James New	Purcell	09/01/2014

d. 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>
Michael D. Sharp	Oklahoma City	10/01/2009	10/01/2014
Calvin K. Griffin	Stillwater	07/01/2011	10/01/2014
Melissa Abrahamsen	Oklahoma City	10/01/2009	10/01/2014
Jay W. Freeman	Oklahoma City	09/01/2013	09/01/2014
Kenneth D. Wilkey, Jr.	Oklahoma City	10/01/2009	10/01/2014

e. Application for Vested Benefit:

<u>Name</u>	<u>City</u>	<u>Eff. Date</u>
Katherine L. Unbewust	Ada	05/27/2021
Thomas T. Kiesau	Tulsa	07/01/2024

f. Death Benefit:

<u>Name</u>	<u>City</u>
Karen S. Whitely, widow of Larry M. Whitely	Elk City
Sherri Britt, widow of Kenneth W. Britt	Bristow
Tommie L. Harmon, widow of Glenn W. Harmon	Enid
Billy L. Holt, widower of Teresa M. Roberts-Holt	Norman
Marianne Sampson, Personal Rep. of Douglas A. Henson	Tulsa

g. Continuation of Benefit:

<u>Name</u>	<u>City</u>
Karen S. Whitely, widow of Larry M. Whitely	Elk City
Sherri Britt, widow of Kenneth W. Britt	Bristow
Tommie L. Harmon, widow of Glenn W. Harmon	Enid
Billy L. Holt, widower of Teresa M. Roberts-Holt	Norman

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

<u>Name</u>	<u>City</u>
David Snell, Personal Rep. of Margaret A. Snell	Chickasha

i. Termination of Benefit:

<u>Name</u>	<u>City</u>
Margaret A. Snell	Chickasha
Douglas A. Henson	Tulsa

Motion by Craig Akard and second by W.B. Smith 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 Keesee, Susan Knight, Brandy Manek, Andy McPherson, Ryan Perkins, Rick Smith, W.B. Smith, Frank Stone, and Tim Foley. Absent: 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 August 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 AUGUST 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 August 31, 2014, a copy of which is attached as Exhibit "G". As of August 31, 2014, the total Fund was approximately \$2,235,055,000.00. The one-year return net of fees for the total Fund is 14.09%.

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**ASSET CONSULTING GROUP – PRIVATE EQUITY PORTFOLIO REVIEW AND RECOMMENDATION ON NEW COMMITMENTS. BOARD TO TAKE APPROPRIATE ACTION AS DEEMED NECESSARY.**

**ASSET CONSULTING GROUP – REAL ASSETS PORTFOLIO REVIEW AND RECOMMENDATION ON NEW COMMITMENTS. BOARD TO TAKE APPROPRIATE ACTION AS DEEMED NECESSARY.**

Mr. Jason Pulos presented the “*Oklahoma Police Pension and Retirement System Private Equity and Real Estate Portfolio Review*”, a copy of which is attached as Exhibit “H”.

Motion by W.B. Smith and second by Tom Custer to commit \$10,000,000.00 to Francisco Partners IV, L.P. Ayes: Craig Akard, Tom Custer, Tony Davenport, Jim Keesee, Susan Knight, Brandy Manek, Andy McPherson, Ryan Perkins, Rick Smith, W.B. Smith, Frank Stone, and Tim Foley. Absent: Jeff Pierce. Motion Carried.

Motion by Craig Akard and second by Tony Davenport to commit \$10,000,000.00 to Siguler Guff Distressed Real Estate Opportunities Fund II, LP and \$30,000,000.00 to Blackstone Property Partners. Ayes: Craig Akard, Tom Custer, Tony Davenport, Jim Keesee, Susan Knight, Brandy Manek, Andy McPherson, Ryan Perkins, Rick Smith, W.B. Smith, Frank Stone, and Tim Foley. Absent: Jeff Pierce. Motion Carried.

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**ASSET CONSULTING GROUP – DISCUSSION AND POSSIBLE VOTE TO MOVE AND/OR LIQUIDATE THE RUSSELL 2000 GROWTH INDEX PORTFOLIO. BOARD TO TAKE APPROPRIATE ACTION AS DEEMED NECESSARY.**

Mr. Jason Pulos presented the “*Rebalance Recommendation*”, a copy of which is attached as Exhibit “I”. He stated the recommendation of Asset Consulting would be the following:

- Liquidate total investment in the Mellon Russell 1000 Index Fund and transfer assets to the Northern Trust Russell 1000 Index Fund
- Liquidate the total investment in the Mellon Russell 2000 Growth Index Fund (Approximately \$61 million)
- Liquidate \$19 million from Boston Partners small/mid cap value strategy
- Allocate \$20 million to Cortina Small Cap Growth Strategy
- Allocation \$10 million to Baring International Equity
- Allocated \$15 million to Vontobel Emerging Market Equity
- Allocated \$5 million to Wasatch Small Cap Emerging Market Equity
- Transfer the remaining proceeds received from the liquidations, \$30 million, to the cash account for future cash flow needs and expenses

Motion by W.B. Smith and second by Craig Akard to accept the recommendation of Asset Consulting Group regarding the recommendation to liquidate the Russell 2000 Growth Index Portfolio. Ayes: Craig Akard, Tom Custer, Tony Davenport, Jim Keesee, Susan Knight, Brandy Manek, Andy McPherson, Ryan Perkins, Rick Smith, W.B. Smith, Frank Stone, and Tim Foley. Absent: Jeff Pierce. Motion Carried.

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**LITIGATION REPORT – PROPOSED EXECUTIVE SESSION, IF DEEMED NECESSARY BY LEGAL COUNSEL TO DISCUSS CASE NO. 1:14CV952, IN RE BANCORP INC. (UNITED STATES DISTRICT COURT, DISTRICT OF DELAWARE); 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. 1:11-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 Tony Davenport and second by Andy McPherson to enter into executive session (at approximately 10:19 am). Ayes: Craig Akard, Tom Custer, Tony Davenport, Jim Keesee, Susan Knight, Brandy Manek, Andy McPherson, Ryan Perkins, Rick Smith, W.B. Smith, Frank Stone, and Tim Foley. Absent: Jeff Pierce. Motion Carried.

Motion by Craig Akard and second by Tony Davenport to enter into open session (at approximately 10:28 am). Ayes: Craig Akard, Tom Custer, Tony Davenport, Jim Keesee, Susan Knight, Brandy Manek, Andy McPherson, Ryan Perkins, Rick Smith, W.B. Smith, Frank Stone, and Tim Foley. Absent: Jeff Pierce. Motion Carried.

Motion by Craig Akard and seconded by Rick Smith to accept the \$6,000,000.00 US Bank Settlement. Ayes: Craig Akard, Tom Custer, Tony Davenport, Jim Keesee, Susan Knight, Brandy Manek, Andy McPherson, Ryan Perkins, Rick Smith, W.B. Smith, Frank Stone, and Tim Foley. Absent: Jeff Pierce. Motion Carried.

Mr. Snyder stated the complaint had been filed in the InfoBlox case and OPPRS was seeking lead plaintiff, the Tempur-Pedic case had been dismissed and we were appealing, the Bancorp case OPPRS was seeking lead plaintiff, the Dole Food case is still in the discovery stage and the Weight Watchers case had been filed.

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**NEW BUSINESS**

No new business

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**BOARD MEMBERS' REPORTS**

Mr. Tom Custer stated that he was impressed with the propriety database Asset Consulting Group had demonstrated at the Due Diligence meeting. Mr. Ryan Perkins noted that the Due Diligence meeting was very enlightening to him as a new trustee. Mr. Perkins also stated that Interim Study S14-041 was a result of Sen. Shaw from the Tulsa area.

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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. He also mentioned that IFEBP would be in Hawaii next year and all NCPERS conferences next year were going to be in New Orleans, LA. Mr. Snyder also noted that the Managers Dinner would be next month at OPUS Prime Steakhouse.

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**DIRECTOR'S REPORT**

Mr. Snyder reported that the rules were effective September 12, 2014. He also advised that there were two approved Interim Studies regarding the pension systems. The first one was Interim Study S14-041 regarding members of the system staying with the system once they move to the county sheriff's office and H14-005, the regular study of the pension systems by Rep. McDaniel, which would not be set until November so all the actuarial data would be available. He also recognized Judy Cong and Liz Moore for the graduation from the State of Oklahoma Certified Managers Program and Judy Cong for receiving the Good Works Award for her final project. He also reminded the board that the October board meeting was moved back to October 22, 2014 due to the majority of board members being in Boston, MA for the annual IFEBP conference.

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The meeting was adjourned at approximately 10:38 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.