

**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 21, 2016**

The regular meeting of the Oklahoma Police Pension and Retirement Board was called to order by Chairman W.B. Smith at approximately 10:00 a.m. on Wednesday, September 21, 2016, in the Board Room of the Oklahoma Police Pension and Retirement System.

MEMBERS PRESENT: Craig Akard, Tom Custer, Tony Davenport, Jim Keese, Susan Knight, Brandy Manek, Ryan Perkins, Rick Smith, W.B. Smith, Frank Stone, Jeff Pierce, and Tim Foley.

OTHERS: Steven K. Snyder, Executive Director; Darcie Gordon, Administrative Officer; Lauren Holmes, Administrative Assistant; Deric Berousek, Chief Financial Officer; Sean Ruark, Pension Administration Officer; Kim Heaton, Attorney General's Office; George Tarlas & Brad Davis, Asset Consulting Group; Nate Atchison, Finley & Cook, PLLC; Brent Banister, Cavanaugh Macdonald Consulting, LLC; Nick Klein & Shayan Hussain, Blackrock; and Christopher Perret & Gerald Crean, Wellington Management Company.

MEMBERS ABSENT: Andy McPherson. Tim Foley left at 1:01pm

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**FINLEY & COOK, PLLC – AUDIT REPORT AS OF JUNE 30, 2016. BOARD TO TAKE APPROPRIATE ACTION AS DEEMED NECESSARY.**

Mr. Nate Atchison presented the "*Financial Statements, June 30, 2016 and 2015 (With Independent Auditors' Report Thereon)*" including "*The Auditors' Communication with Those Charged with Governance*", a copy is attached as Exhibit "A".

Motion by Tony Davenport and second by Jim Keese to receive and file the 2016 Audit Report as presented by Finley & Cook, PLLC. Ayes: Craig Akard, Tom Custer, Tony Davenport, Jim Keese, Susan Knight, Brandy Manek, Ryan Perkins, Rick Smith, W.B. Smith, Frank Stone, Jeff Pierce, and Tim Foley. Absent: Andy McPherson. Motion Carried.

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**CAVANAUGH MACDONALD CONSULTING, LLC – ACTUARIAL VALUATION REPORT AS OF JULY 1, 2016. BOARD TO TAKE APPROPRIATE ACTION AS DEEMED NECESSARY.**

Mr. Brent Banister presented the "Valuation Results, September 21, 2016", a copy is attached as Exhibit "B".

Motion by Jim Keese and second by Tony Davenport to receive and file the 2016 Actuarial Report as presented by Cavanaugh Macdonald Consulting, LLC. Ayes: Craig Akard, Tom Custer, Tony Davenport, Jim Keese, Susan Knight, Brandy Manek, Ryan Perkins, Rick Smith, W.B. Smith, Frank Stone, Jeff Pierce, and Tim Foley. Absent: Andy McPherson. Motion Carried.

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**DISCUSSION AND POSSIBLE VOTE ON APPROPRIATENESS OF ACTUARIAL RATE OF RETURN OF THE OKLAHOMA POLICE PENSION AND RETIREMENT SYSTEM. BOARD TO TAKE APPROPRIATE ACTION AS DEEMED NECESSARY.**

Motion by Jim Keesee and second by Craig Akard to wait until the Experience Study is conducted to make any changes to the Actuarial Rate of Return. Ayes: Craig Akard, Tom Custer, Tony Davenport, Jim Keesee, Susan Knight, Brandy Manek, Ryan Perkins, Rick Smith, W.B. Smith, Frank Stone, Jeff Pierce, and Tim Foley. Absent: Andy McPherson. Motion Carried.

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**APPROVAL OF MINUTES OF REGULAR BOARD MEETING HELD AUGUST 17, 2016**

Motion by Craig Akard and second by Jim Keesee to approve the Minutes of the Regular Board Meeting held August 17, 2016. Ayes: Craig Akard, Tom Custer, Tony Davenport, Jim Keesee, Brandy Manek, Ryan Perkins, Rick Smith, W.B. Smith, Frank Stone, Jeff Pierce, and Tim Foley. Abstain: Susan Knight. Absent: Andy McPherson. 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>
Dylan G. Wright	Ardmore
Cody D. Poe	Atoka
Sean P. Eaton	Blanchard
Cassandra M. Buhler	Broken Arrow
William H. Cook	Broken Arrow
Jessica R. Cotton	Broken Arrow
Thomas S. Fisher	Broken Arrow
Tiffany N. Jessie	Broken Arrow
Christopher J. Pellegrino	Broken Arrow
Colton R. Petty	Broken Arrow
Jordan S. Sawyer	Broken Arrow
James E. Taylor	Broken Arrow
Brent L. Colbert	Catoosa
Robert A. Evans	Catoosa
Cody W. Workman	Catoosa
Zachery M. Fox	Choctaw
James D. Black	Del City
Bradley J. Dunkle	Dewey
Joshua R. Olson	Elk City
Joseph D. Barrett	Frederick
Derek P. Earls	Hobart
Seth H. Leyba	Hugo
Justin L. Golden	Mannford
Alex D. Brown	Muskogee
Brandon L. Bycroft	Muskogee
Taylor N. Mills	Muskogee

Emily D. Pippin	Muskogee
Jessica D. Yarbrough	Muskogee
Joel P. Balyeat	Norman
Megan M. Madron	Norman
ShawShon W. Wilkes	Nowata
Billy J. Laster	Perkins
Johnnie E. Jenkins	Pryor
John S. Stanglin	Pryor
Jacob T. Hopkins	Tonkawa
Luis R. Fuentes	Valley Brook
Justin W. Wooten	Watonga
Mark A. DeComo	Wewoka

b. Application for Refund of Contributions:

<u>Name</u>	<u>City</u>
Josh Patzkowski	Bartlesville
Jeffrey Porter	Blanchard
Johnnie Drewery	Chickasha
Jeremy Frantz	Choctaw
Cole Graves	Cushing
Leonard D. Stevens, II	Eufaula
Bryan L. Crumb	Guthrie
Steven C. King, Jr.	Guymon
Royce A. Glass	Lindsay
Brandon Love	Midwest City
Athena Mills	Pauls Valley
Tony Walker	Prague
Jeremy Cantrell	Pryor
Kyle Hudspeth	Sulphur
David Stagner	Tecumseh
Jamel Warren	Tulsa
Don Browning	Watonga

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>
James S. McClain	Chickasha	03/01/2014	09/01/2016
Joey K. Bales	Elk City	05/01/2016	09/01/2016
Mark Foreman	Lawton	09/01/2011	09/01/2016
Nancy Lombardo	Lawton	10/01/2011	10/01/2016
James W. Poe	Lawton	11/01/2015	09/01/2016
Darren Carlock	Tulsa	09/01/2014	09/01/2016

d. Application for Vested Benefit:

<u>Name</u>	<u>City</u>	<u>Eff. Date</u>
Jeff Henderson	Tulsa	03/06/2023

e. Death Benefit:

<u>Name</u>	<u>City</u>
Kaitlyn Davis and Kymber Davis, Surviving Children of Billy J. Davis	Ada
Vickie A. Kirk, widow of Joseph J. Kirk	Durant
Linda I. Bean, widow of Loy E. Bean	Lawton
Virginia Baugess, widow of Robert J. Baugess	Tulsa
Jeffrey A. Owen, Personal Rep. of Charles A. Owen	Oklahoma City
Karen E. Patton, Personal Rep. of Frank E. Patton	Oklahoma City

f. Continuation of Benefit:

<u>Name</u>	<u>City</u>
Kaitlyn Davis and Kymber Davis, Surviving Children of Billy J. Davis	Ada
Vickie A. Kirk, widow of Joseph J. Kirk	Durant
Linda I. Bean, widow of Loy E. Bean	Lawton
Virginia Baugess, widow of Robert J. Baugess	Tulsa

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

<u>Name</u>	<u>City</u>
Karen E. Patton, Personal Rep. of Frank E. Patton	Oklahoma City
Chonna Denton, Personal Rep. of Barbara J. Goodenough	Tulsa

h. Termination of Benefit:

<u>Name</u>	<u>City</u>
Charles A. Owen	Oklahoma City
Frank E. Patton	Oklahoma City
Barbara J. Goodenough	Tulsa

Motion by Craig Akard and second by Tom Custer for approval of applications for Police Deferred Option Plan, Participation, Service Pension, Refunds and Benefits with the exception of 6d – Application for Vested Benefit. Ayes: Craig Akard, Tom Custer, Tony Davenport, Jim Keesee, Susan Knight, Brandy Manek, Ryan Perkins, Rick Smith, W.B. Smith, Frank Stone, Jeff Pierce, and Tim Foley. Absent: Andy McPherson. 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 2016 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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**TOWN OF OOLOGAH – RESOLUTION TO AFFILIATE AND JOIN THE OKLAHOMA POLICE PENSION AND RETIREMENT SYSTEM. BOARD TO TAKE APPROPRIATE ACTION AS DEEMED NECESSARY.**

Motion by Tony Davenport and second by Jim Keesee to approve the Town of Oologah’s Resolution to Affiliate and Join the Oklahoma Police Pension and Retirement System. Ayes: Craig Akard, Tom Custer, Tony Davenport, Jim Keesee, Susan Knight, Brandy Manek, Ryan Perkins, Rick Smith, W.B. Smith, Frank Stone, Jeff Pierce, and Tim Foley. Absent: Andy McPherson. Motion Carried.

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**ASSET CONSULTING GROUP – FINANCIAL CONSULTANT REPORT FOR MONTH ENDED AUGUST 31, 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 August 31, 2016, a copy of which is attached as Exhibit “G”. As of August 31, 2016, the total Fund was approximately \$2,254,060,000.00. The one-year return net of fees for the total Fund is 4.79%.

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**PRESENTATIONS FOR LIQUID ABSOLUTE RETURN MANAGER:**

- A. **BLACKROCK (a copy of which is attached as Exhibit H)**
- B. **WELLINGTON MANAGEMENT COMPANY (a copy of which is attached as Exhibit I)**

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**ASSET CONSULTING GROUP –DISCUSSION AND POSSIBLE VOTE WHETHER TO HIRE ABSOLUTE LIQUID RETURN MANAGER BOARD TO TAKE APPROPRIATE ACTION AS DEEMED NECESSARY.**

Mr. Brad Davis reviewed the *Oklahoma Police Pension & Retirement System Liquid Absolute Return Fixed Income Search, September 21, 2016*; a copy is attached as Exhibit J.

Motion by Tony Davenport and second by Tom Custer to hire Wellington Management Company as Absolute Liquid Return Manager. Ayes: Craig Akard, Tom Custer, Tony Davenport, Jim Keesee, Susan Knight, Brandy Manek, Ryan Perkins, Rick Smith, W.B. Smith, Frank Stone, Jeff Pierce, and Tim Foley. Absent: Andy McPherson. Motion Carried.

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**DISCUSSION AND POSSIBLE VOTE ON HIRING A LEGISLATIVE CONSULTING SERVICE. BOARD TO TAKE APPROPRIATE ACTION AS DEEMED NECESSARY.**

Mr. Steven Snyder advised the board that we had received 5 responses to the RFP and only 2 of those met the required qualifications.

Motion by Ryan Perkins and second by Tony Davenport to have the Executive Director reach out to those that may have a conflict and see if they could work with us regardless and next month look at an expanded list of prospective lobbyist to interview. Ayes: Craig Akard, Tom Custer, Tony Davenport, Jim Keesee, Ryan Perkins, Rick Smith, W.B. Smith, Frank Stone, and Tim Foley. Nays: Susan Knight and Jeff Pierce. Absent: Brandy Manek and Andy McPherson. 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); CASE NO. 12584-VCG, IN RE STARZ STOCKHOLDER LITIGATION. (COURT OF CHANCERY OF THE STATE OF DELAWARE); CASE NO. 1:16-CV-05203, IN RE BANK OF AMERICA CORP. (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 advised the board that OPPRS received and initial payout of \$23,000,000.00 which was only a partial payment from Magnachip and \$11,000,000.00 had been awarded to the class in the Sientra case, which was about 33% of losses.

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**NEW BUSINESS**

No New Business

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**BOARD MEMBERS' REPORTS**

No Board Members Reports

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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:

- OPFTEC
  - September 28-30, 2016 – Tulsa Renaissance Hotel
- NCPERS Public Safety Conference
  - October 23-26, 2016 – Las Vegas, NV
- ACG Due Diligence
  - November 9 - November 10, 2016 – St. Louis, MO

- IFEBP Annual Conference & CAPPP Part I
  - November 13 - November 16, 2016 – Orlando, FL
- NAPO's Annual Pension & Benefits Seminar
  - February 26-28, 2017 – Orlando, FL

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**DIRECTOR'S REPORT**

Mr. Snyder stated the October Managers Dinner would be at Mickey Mantles, and the Pension Books were in the final revision stages and should be ready by the October meeting. He also stated that the staff was looking into purchasing Microsoft Surfaces to replace the iPads for the board.

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The meeting was adjourned at approximately 1:11pm.

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.