

**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

AUGUST 16, 2017

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, August 16, 2017, in the Board Room of the Oklahoma Police Pension and Retirement System.

MEMBERS PRESENT: W.B. Smith, Frank Stone, Jim Keesee, Susan Knight, Brandy Manek, Ryan Perkins, Tim Foley, Dave Roberts, Thomas Cooper, Chris Cook, and Robert Groseclose.

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, Assistant Attorney General; Jason Pulos, Asset Consulting Group; Jim Marshall, Oklahoma Insurance Department; and Randal Dame, Waddell & Reed Financial Advisors.

MEMBERS ABSENT: Tony Davenport and Andy McPherson

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APPROVAL OF MINUTES OF REGULAR BOARD MEETING HELD JULY 19, 2017

Motion by Ryan Perkins and second by Jim Keesee to approve the minutes of the Regular Board Meeting held July 19, 2017. Ayes: W.B. Smith, Frank Stone, Jim Keesee, Susan Knight, Brandy Manek, Ryan Perkins, Tim Foley, Dave Roberts, Thomas Cooper, Chris Cook, and Rob Groseclose. Absent: Tony Davenport and 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> |
|--------------------|--------------|
| Jared H. Buckaloo | Ardmore |
| Ryan L. Deshields | Bartlesville |
| Jessica A. Pitts | Bartlesville |
| Steven M. Powers | Bartlesville |
| Travis D. Ellis | Blanchard |
| Blaine L. Lander | Blanchard |
| Stephen M. Rhodes | Blanchard |
| Paul S. Devers | Chouteau |
| Jon R. Hagen | Claremore |
| Phillip E. Isham | Cleveland |
| Joshua D. Cummings | Eufaula |

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|--------------------------|---------------|
| Bret M. Taylor | Hominy |
| Kyler D. Clardy | Idabel |
| Dustin B. Franklin | Idabel |
| Joshua B. Semke | Jenks |
| Nicholas A. Flores | Lawton |
| Amelia R. Gorshing | Lawton |
| Dustin A. Kellogg | Lawton |
| Michael D. Laughlin | Lawton |
| Brandon K. Newhouse | Lawton |
| Nathan M. Ronan | Lawton |
| Samantha M. Rousey | Lawton |
| Gerardo A. Vallijo, Jr. | Lawton |
| Christopher D. Womack | Lawton |
| Cody McDaniel | Mustang |
| Caden M. Holt | Noble |
| Mistty A. Breedlove | Oologah |
| Corey B. Adams | Oklahoma City |
| Chanse R. Alexander | Oklahoma City |
| Timothy K. Arender | Oklahoma City |
| Karch R. Bullard | Oklahoma City |
| Nathaniel D. Chiles | Oklahoma City |
| Michelle L. Graham-Roche | Oklahoma City |
| Jesus E. Hernandez | Oklahoma City |
| Marcos G. Ibanez | Oklahoma City |
| Erica S. Jackson | Oklahoma City |
| Kameron L. Kyle | Oklahoma City |
| Nathan J. Ledbetter | Oklahoma City |
| Darren P. Muse | Oklahoma City |
| Hiep X. Nguyen | Oklahoma City |
| Christopher L. Novak | Oklahoma City |
| Matthew H. Osgood | Oklahoma City |
| Bradley C. Pemberton | Oklahoma City |
| Tyler N. Percival | Oklahoma City |
| Bo C. Pham | Oklahoma City |
| Michael B. Ralston | Oklahoma City |
| Nathan D. Ross | Oklahoma City |
| Zachary N. Taylor | Oklahoma City |
| Travis L. Wallace | Oklahoma City |
| Nickolaus S. Wooten | Oklahoma City |
| Keaton J. Zerby | Oklahoma City |
| Jennifer M. Williams | Sapulpa |
| Jeffrey S. Brown | Tulsa |
| Daniel E. Bunch | Tulsa |
| Corey S. Buresh | Tulsa |
| Henry D. Carlson | Tulsa |
| Ronni S. Carrocia | Tulsa |
| Matthew W. Cazenave | Tulsa |
| Cherish L. Comfort | Tulsa |
| Christopher C. Davis | Tulsa |

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|--------------------------|----------|
| Vincent D. Dickey | Tulsa |
| Matthew S. Dunn | Tulsa |
| Justin A. Finney | Tulsa |
| Daniel M. Geppelt | Tulsa |
| Jack W. Graves, III | Tulsa |
| Jonathan R. Harris | Tulsa |
| Danny W. Hartman | Tulsa |
| Troy M. Honeycutt | Tulsa |
| Daniel J. Howell | Tulsa |
| Joshua D. Hyman | Tulsa |
| Francis R. Mackey | Tulsa |
| Colton D. Martin | Tulsa |
| Justin H. McAlpin | Tulsa |
| Kimberly E. McCall-Pyatt | Tulsa |
| Heather E. McCarthy | Tulsa |
| Jeremy C. McCasland | Tulsa |
| Joel Moisa | Tulsa |
| Dallas M. Owens | Tulsa |
| Barrett M. Smith | Tulsa |
| Jill J. Taylor | Tulsa |
| Lucas M. Temple | Tulsa |
| Aaron E. Wolfe | Tulsa |
| Travis W. Potts | Wagoner |
| Raquel L. Reed | Wagoner |
| Silas P. Winegeart | Waurika |
| Travis W. Riley | Woodward |

b. Application for Refund of Contributions:

| <u>Name</u> | <u>City</u> |
|-------------------|-------------|
| William Perkins | Altus |
| Belen Rodriguez | Choctaw |
| Scott A. Phelps | Durant |
| Trevor C. Lowry | Elk City |
| Lisa Duran | Guymon |
| Dwight E. Lewis | Hobart |
| Randall Reynolds | Madill |
| Jamie D. Heimbach | Muskogee |
| Juan C. Nazario | Muskogee |
| Michael McNally | Newcastle |
| Andrew Zerby | Noble |
| Jeffrey Rogers | Norman |
| Justin Stafford | Norman |
| Brian R. Bruce | Pawhuska |
| Robert L. Baker | Warner |

c. Terminate Deferred Option Plan to Begin Service Pension:

| <u>Name</u> | <u>City</u> | <u>Eff. Date</u> |
|---------------------|-------------|------------------|
| Timothy J. Stringer | Dewey | 08/01/2017 |

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> |
|--------------------------|---------------|----------------------|----------------------------------|
| Clarence L. Calhoun, Jr. | Broken Arrow | 10/01/2016 | 09/01/2017 |
| Jeffrey D. Martin | Broken Arrow | 09/01/2012 | 09/01/2017 |
| Brian Woffard | Del City | 09/01/2016 | 09/01/2017 |
| Tommy Lane | Oklahoma City | 09/01/2012 | 09/01/2017 |
| Guy D. Stapleton | Tulsa | 09/01/2012 | 09/01/2017 |
| Derek L. Ford | Woodward | 09/01/2012 | 09/01/2017 |

e. Death Benefit:

| <u>Name</u> | <u>City</u> |
|---|--------------|
| Helen M. Peugh, widow of Robert C. Peugh | Bartlesville |
| Joan B. Shutts, widow of Jack B. Shutts | Lawton |
| Cynthia L. Campbell, widow of Dennis W. Campbell | Tulsa |

f. Continuation of Benefit:

| <u>Name</u> | <u>City</u> |
|---|--------------|
| Helen M. Peugh, widow of Robert C. Peugh | Bartlesville |
| Joan B. Shutts, widow of Jack B. Shutts | Lawton |
| Cynthia L. Campbell, widow of Dennis W. Campbell | Tulsa |

Motion by Ryan Perkins and second by Jim Keesee for approval of applications for Police Deferred Option Plan, Participation, Service Pension, Refunds, and Benefits. Ayes: W.B. Smith, Frank Stone, Jim Keesee, Susan Knight, Brandy Manek, Ryan Perkins, Tim Foley, Dave Roberts, Thomas Cooper, Chris Cook, and Rob Groseclose. Absent: Tony Davenport and Andy McPherson. Motion Carried.

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JOHN T. STEGE, NORMAN – REQUEST TO MODIFY EFFECTIVE DATE ON APPLICATION FOR SERVICE PENSION APPROVED JULY 19, 2017. BOARD TO TAKE APPROPRIATE ACTION AS DEEMED NECESSARY.

Motion by Ryan Perkins and second by Jim Keesee to approve request to modify effective date on Application for Service Pension for John T. Stege, Norman. Ayes: W.B. Smith, Frank Stone, Jim Keesee, Susan Knight, Brandy Manek, Ryan Perkins, Tim Foley, Dave Roberts, Thomas Cooper, Chris Cook, and Rob Groseclose. Absent: Tony Davenport and Andy McPherson. Motion Carried.

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RICKY B. SCHWARZ, OKLAHOMA CITY – REQUEST TO BUY BACK PRIOR SERVICE FROM KINGFISHER POLICE DEPARTMENT FROM 07/01/1989 TO 09/18/1992. BOARD TO TAKE APPROPRIATE ACTION AS DEEMED NECESSARY.

Motion by Ryan Perkins and second by Jim Keesee to approve request to buy back prior service from Kingfisher Police Department from 07/01/1989 to 09/18/1992 for Ricky B. Schwarz, Oklahoma City. Ayes: W.B. Smith, Frank Stone, Jim Keesee, Susan Knight, Brandy Manek,

Ryan Perkins, Tim Foley, Dave Roberts, Thomas Cooper, Chris Cook,
and Rob Groseclose. Absent: Tony Davenport and Andy McPherson.
Motion Carried.

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JEFFREY W. CARTY, WOODWARD – REQUEST TO BUY BACK PRIOR SERVICE FROM WOODWARD POLICE DEPARTMENT FROM 04/06/2011 TO 02/05/2013. BOARD TO TAKE APPROPRIATE ACTION AS DEEMED NECESSARY.

Motion by Ryan Perkins and second by Jim Keesee to approve request to buy back prior service from Woodward Police Department from 04/06/2011 to 02/05/2013 for Jeffrey W. Carty, Woodward. Ayes: W.B. Smith, Frank Stone, Jim Keesee, Susan Knight, Brandy Manek, Ryan Perkins, Tim Foley, Dave Roberts, Thomas Cooper, Chris Cook, and Rob Groseclose. Absent: Tony Davenport and Andy McPherson. 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 July 2017 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 JULY 31, 2017, QUARTERLY REPORT FOR QUARTER ENDED JUNE 30, 2017, 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 July 31, 2017, a copy of which is attached as Exhibit "E". As of July 31, 2017, the total Fund was approximately \$2,421,496,000.00. The one-year return net of fees for the total Fund is 10.17%.

Mr. Jason Pulos reviewed the Quarterly Report for quarter-ended June 30, 2017, a copy of which is attached as Exhibit "F".

Mr. Pulos advised the board that there was a need to rebalance the portfolio to get some money into the cash account for operations of the agency. He stated it was Asset Consulting Groups recommendation to liquidate \$25 million from Boston Partners and \$15 million from Northern Trust Russell 1000 Index Fund to raise cash to be moved into the control account.

Motion by Ryan Perkins and second by Jim Keesee to liquidate \$25 million from Boston Partners and \$15 million from Northern Trust Russell 1000 Index Fund to raise cash to be moved into the control account. Ayes: W.B. Smith, Frank Stone, Jim Keesee, Susan Knight, Brandy Manek, Ryan Perkins, Tim Foley, Dave Roberts, Thomas Cooper, Chris Cook, and Rob Groseclose. Absent: Tony Davenport and Andy McPherson. Motion Carried.

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LITIGATION REPORT – PROPOSED EXECUTIVE SESSION, IF DEEMED NECESSARY BY LEGAL COUNSEL TO DISCUSS; CASE NO. 2:15-CV-01398-SRB, IN RE LIFELOCK, INC. (UNITED STATES DISTRICT COURT, DISTRICT OF ARIZONA), CASE NO. 1:15-CV-00679, IN RE RCS CAPITAL CORP. (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 STARZ STOCKHOLDER LITIGATION. (COURT OF CHANCERY OF THE STATE OF DELAWARE), CASE NO. 1:17-CV-02169, IN RE TEMPUR SEALY INTERNATIONAL, INC (UNITED STATES DISTRICT COURT, SOUTHERN DISTRICT OF NEW YORK), CASE NO. 1:17-CV-01346-MJW, IN RE JAGGED PEAK ENERGY, INC. (UNITED STATES DISTRICT COURT, STATE OF COLORADO), 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 Ryan Perkins and second by Jim Keesee to enter into Executive Session (at approx. 10:33am). Ayes: W.B. Smith, Frank Stone, Jim Keesee, Susan Knight, Brandy Manek, Ryan Perkins, Tim Foley, Dave Roberts, Thomas Cooper, Chris Cook, and Rob Groseclose. Absent: Tony Davenport and Andy McPherson. Motion Carried.

Motion by Ryan Perkins and second by Chris Cook to return to Open Session (at approx. 10:40am). Ayes: W.B. Smith, Frank Stone, Susan Knight, Brandy Manek, Ryan Perkins, Tim Foley, Dave Roberts, Thomas Cooper, Chris Cook, and Rob Groseclose. Absent: Tony Davenport, Andy McPherson, Jim Keesee. Motion Carried.

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NEW BUSINESS

No new business.

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BOARD MEMBERS' REPORTS

Mr. Ryan Perkins mentioned he has coordinated with Sean Ruark to provide a Pre-Retirement Seminar on October 19th to the Tulsa Police Academy in Tulsa, OK.

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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 - Chickasaw Retreat and Conference Center – Sulphur, OK
 - September 27-29, 2017
- NCPERS Public Safety Employees’ Pension and Benefits Conference – Hyatt Regency, San Antonio, TX
 - October 1-4, 2017
- IFEBP Annual Conference– Mandalay Bay, Las Vegas, NV
 - October 22 – 25, 2017

- NCPERS Annual Conference & Exhibition– Sheraton New York, New York, NY
 - May 13-16, 2018

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DIRECTOR’S REPORT

Mr. Snyder advised that the Governor had signed a Declaration approving our rules and they would be effective 9-11-17. He mentioned that the board would be trying a pilot program with OMES using Kofax to view board documents. He advised that the auditors would be in the office through the beginning of September. He stated the audit and actuary reports would be presented at the September board meeting. He mentioned the October Managers Dinner was tentatively set for Boulevard Steakhouse. He also stated that there would be a Due Diligence Meeting in St. Louis, at ACG, November 7-8, 2017.

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The meeting was adjourned at approximately 10:55am.

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.