

**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 15, 2018

The regular meeting of the Oklahoma Police Pension and Retirement Board was called to order by Chairman Chris Cook at approximately 10:01 a.m. on Wednesday, August 15, 2018, in the Board Room of the Oklahoma Police Pension and Retirement System.

MEMBERS PRESENT: Tony Davenport, Susan Knight, Brandy Manek, Ryan Perkins, Tim Foley, Dave Roberts, Chris Cook, Robert Groseclose, Sandra LaVenue, and Jeff Russell.

OTHERS: Sean Ruark, Interim Executive Director; Darcie Gordon, Administrative Officer; Deric Berousek, Chief Financial Officer; Thomas Schneider, Assistant Attorney General; Jason Pulos, Asset Consulting Group; Ray Ix, Mount Lucas Management LP; and Ginger Sigler.

MEMBERS ABSENT: Andy McPherson and Thomas Cooper
Ryan Perkins left at approximately 11:25 a.m.
* * * * *

HEARING: CASE NO. OPPRB 18-05, APPLICATION FOR DISABILITY BENEFIT IN LINE OF DUTY FOR CHRISTOPHER SHUBERT, OKLAHOMA CITY.

Mr. Christopher Shubert was not present for the hearing and he was not represented by counsel.

Mr. Sean Ruark introduced Exhibits 1-4

- OPPRS Exhibit #1 –Application for Disability Benefit In Line of Duty, dated April 17, 2018
- OPPRS Exhibit #2 – No Position Letter from the Oklahoma City Police Department (William City, Chief of Police), dated July 30, 2018
- OPPRS Exhibit #3 – Report from Dr. John Munneke, dated July 16, 2018
- OPPRS Exhibit #4 - Notice of Hearing, dated August 2, 2018

Motion by Dave Roberts and second by Ryan Perkins to enter into Executive Session (at approx. 10:05 a.m.). Ayes: Tony Davenport, Susan Knight, Brandy Manek, Ryan Perkins, Tim Foley, Dave Roberts, Chris Cook, Robert Groseclose, Sandra LaVenue and Jeff Russell. Absent: Andy McPherson and Thomas Cooper. Motion Carried.

Motion by Robert Groseclose and second by Dave Roberts to enter into Open Session (at approx. 10:17 a.m.). Ayes: Tony Davenport, Susan Knight, Brandy Manek, Ryan Perkins, Tim Foley, Dave Roberts, Chris Cook, Robert Groseclose, Sandra LaVenue and Jeff Russell. Absent: Andy McPherson and Thomas Cooper. Motion Carried.

Motion by Tony Davenport and second by Dave Roberts to award Mr. Christopher Shubert a 60% impairment rating which equals a 75% disability benefit. Ayes: Tony Davenport, Susan Knight, Brandy Manek, Ryan Perkins, Tim Foley, Dave Roberts, Chris Cook, Robert Groseclose, Sandra LaVenue and Jeff Russell. Absent: Andy McPherson and Thomas Cooper. Motion Carried.

* * * * *

APPROVAL OF MINUTES OF REGULAR BOARD MEETING HELD JULY 18, 2018.

Motion by Tony Davenport and second by Robert Groseclose to approve the minutes of the Regular Board Meeting held July 18, 2018. Ayes: Tony Davenport, Susan Knight, Ryan Perkins, Tim Foley, Dave Roberts, Chris Cook, Robert Groseclose, Sandra LaVenue and Jeff Russell. Abstain: Brandy Manek. Absent: Andy McPherson and Thomas Cooper. Motion Carried.

* * * * *

CONSIDERATION AND VOTE, SUBJECT TO BOARD’S EXCEPTION, ON THE FOLLOWING APPLICATIONS

a. Application for Participation:

<u>Name</u>	<u>City</u>
Kaleb J. Keplinger	Alva
Travis L. Maloy	Anadarko
Kyle S. Young	Anadarko
Monica L. Eaton	Broken Arrow
Kelsey M. Jones	Broken Arrow
Summer G. Giulietti	Bixby
Aaron D. Adams	Catoosa
David M. Book	Catoosa
Nathan L. Hudson	Chouteau
Kejaun D. Joseph	Crescent
Shelby L. Spivey	Crescent
Joseph K. Mathis	Durant
James E. Brewer	Edmond
Kyle J. Factor	Edmond
Mason E. George	Edmond
Dustin B. Hand	Edmond
Joshua D. Lindsey	Edmond
Dakota R. Murley	Edmond
Logan M. Parks	Edmond
Denton C. Scherman	Edmond
Jackson P. Smith	Edmond
Chase B. Thackerson	Edmond
Cheridan T. Trevino	Edmond
Hannah J. Walcher	Edmond
Collin K. Freeman	El Reno
Troy S. George	El Reno
Kylie E. Williams	El Reno
William L. Butler	Enid
David A. Sneed	Enid
Bowen R. Booth	Kiowa
Troy N. Miller	Kiowa

Dustin E. Wall	Kiowa
Jess W. Wilson	Kiowa
John C. Alonzo	Lawton
Brandon L. Becker	Lawton
Matthew R. Campbell	Lawton
Phillip J. Davis	Lawton
Xavier M. Evans	Lawton
Robert L. Hinkle, Jr.	Lawton
Samantha L. Kenyon	Lawton
Radisson L. King	Lawton
Hunter S. Martinez	Lawton
Ethan W. McCracken	Lawton
Joshua R. Murrow	Lawton
Cody M. Noel	Lawton
Joseph P. Norris	Lawton
Blake G. Patterson	Lawton
Hunter J. Phillips	Lawton
Tyler S. Zehren	Lawton
Bradley H. Dunlap	Muskogee
Nolan W. Philpott	Muskogee
Morgan D. Stewart	Noble
Shane M. Dean	Perkins
Jeremiah D. Foster	Perry
Jamal R. Gunter	Pryor
Francisco Valdez	Sulphur
Jeremiah D. Crane	The Village
Brian D. Southerland	Valley Brook
Orrin M. Beckham	Wewoka

b. Application for Refund of Contributions:

<u>Name</u>	<u>City</u>
Billy J. Mitchell	Ardmore
Sterling Tucker	Ardmore
Justin Berry	Commerce
Bryan R. Rios	Enid
Steven M. Stogner	Grove
Whitten Kent	Idabel
James Vogt	Lawton
Casey McCallister	Norman
Harold V. Walls	Owasso
Brayley Running	Perry
Justin C. Vinson	Sulphur

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>
Elizabeth J. Woolery	Bartlesville	09/01/2015	09/01/2018
Chad Burden	Broken Arrow	09/01/2017	09/01/2018
Kenneth Sivard	Idabel	09/01/2013	09/01/2018
John Roloff	Lawton	08/01/2013	08/01/2018
James D. Maisano	Norman	08/01/2013	08/01/2018
David Coffman	Oklahoma City	09/01/2013	09/01/2018
Charles M. Reed, Jr.	Okmulgee	09/01/2013	09/01/2018

Timothy J. Pike	Tulsa	08/01/2013	08/01/2018
David Walker	Tulsa	09/01/2013	09/01/2018
Donald J. Wright	Tulsa	09/01/2013	09/01/2018

d. Application for Vested Benefit:

<u>Name</u>	<u>City</u>	<u>Eff. Date</u>
Cliff Walker	Chickasha	01/10/2029

e. Death Benefit:

<u>Name</u>	<u>City</u>
Amanda E. Crosby, widow of Jeffery D. Crosby	Ada
Estella M. Chasteen, widow of Alvie C. Chasteen	Duncan
Linda E. Misel, widow of DeLoy J. Misel	Lawton
Elaine Lane, widow of John L. Lane	Oklahoma City
Leonard N. Sparks, Personal Rep. of Alferd D. Sparks	Midwest City

f. Continuation of Benefit:

<u>Name</u>	<u>City</u>
Amanda E. Crosby, widow of Jeffery D. Crosby	Ada
Estella M. Chasteen, widow of Alvie C. Chasteen	Duncan
Linda E. Misel, widow of DeLoy J. Misel	Lawton
Elaine Lane, widow of John L. Lane	Oklahoma City

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

<u>Name</u>	<u>City</u>
Leonard N. Sparks, Personal Rep. of Alferd D. Sparks	Midwest City
Jennie F. Tillitson, Personal Rep. Vera M. Breit	Norman
George M. Mauldin, Jr., Personal Rep Mary O. Mauldin	Norman

h. Termination of Benefit:

<u>Name</u>	<u>City</u>
Alferd D. Sparks	Midwest City
Vera M. Breit	Norman
Mary O. Mauldin	Norman

Motion by Ryan Perkins and second by Robert Groseclose for approval of applications for Police Deferred Option Plan, Participation, Service Pension, Refunds, and Benefits. Ayes: Tony Davenport, Susan Knight, Brandy Manek, Ryan Perkins, Tim Foley, Dave Roberts, Chris Cook, Robert Groseclose, Sandra LaVenue and Jeff Russell. Absent: Andy McPherson and Thomas Cooper. Motion Carried.

* * * * *

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 2018 is attached as Exhibit "B"; the Broker Commission Report is attached as Exhibit "C"; the Statement of Total Fund is attached as Exhibit "D", and the Monthly Claims Register is attached as Exhibit "E".

* * * * *

ASSET CONSULTING GROUP – FINANCIAL CONSULTANT REPORT FOR MONTH ENDED JULY 31, 2018, QUARTERLY REPORT FOR QUARTER ENDED JUNE 30, 2018, 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, 2018, a copy of which is attached as Exhibit "F". As of July 31, 2018, the total Fund was approximately \$2,574,853,000.00. The one-year return net of fees for the total Fund is 8.17%.

Mr. Jason Pulos also reviewed the Quarterly Report for quarter-ended June 30, 2018, a copy of which is attached as Exhibit "G"

* * * * *

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

Mr. Jason Pulos presented the Oklahoma Police Pension & Retirement System Private Markets Review and Recommendation, August 15, 2018, a copy of which is attached as Exhibit "H". Asset Consulting Group recommended a \$20,000,000.00 commitment to Warburg Pincus Global Growth L.P. and a \$20,000,000.00 commitment to Angelo Gordon Realty Value Fund X.

Motion by Tony Davenport and second by Dave Roberts to commit \$20,000,000.00 to Warburg Pincus Global Growth L.P. Ayes: Tony Davenport, Susan Knight, Brandy Manek, Ryan Perkins, Tim Foley, Dave Roberts, Chris Cook, Robert Groseclose, Sandra LaVenue and Jeff Russell. Absent: Andy McPherson and Thomas Cooper. Motion Carried.

Motion by Dave Roberts and second by Ryan Perkins to commit \$20,000,000.00 to Angelo Gordon Realty Value Fund X. Ayes: Tony Davenport, Susan Knight, Brandy Manek, Ryan Perkins, Tim Foley, Dave Roberts, Chris Cook, Robert Groseclose, Sandra LaVenue and Jeff Russell. Absent: Andy McPherson and Thomas Cooper. Motion Carried.

* * * * *

DISCUSSION AND POSSIBLE VOTE ON METHODOLOGY TO BE USED FOR STIPEND PAYMENT AND ELIGIBILITY DETERMINATION. BOARD TO TAKE APPROPRIATE ACTION AS DEEMED NECESSARY.

Mr. Sean Ruark presented the board with the 2018 Stipend Methodology and the Actuary Projected Funded Ratio Letter, a copy of which is attached at Exhibit "I". He advised the stipend was a result of HB1340. He stated the bill could have been written more clearly, and that multiple assumptions had to be made in the interpretation of the bill.

Motion by Ryan Perkins and second by Dave Roberts to approve the 2018 Stipend Methodology. Ayes: Tony Davenport, Susan Knight, Brandy Manek, Ryan Perkins, Tim Foley, Dave Roberts, Chris Cook, Robert Groseclose, Sandra LaVenue and Jeff Russell. Absent: Andy McPherson and Thomas Cooper. Motion Carried.

* * * * *

UPDATE ON OPPRS POLICY CHANGES WITH REGARD TO RECOMMENDATIONS FROM CRAWFORD & ASSOCIATES, P.C. BOARD TO TAKE APPROPRIATE ACTION AS DEEMED NECESSARY.

Mr. Sean Ruark advised the board that OPPRS had finalized or was in the process of finalizing policies for all of the recommendations from Crawford & Associates, P.C. The changes include the Capital Assets Policy, reconciliation of purchase orders and invoices, confidential data stored on removable storage devices, and personal/business usage on personal/business devices. He stated they would be reviewed by the new Executive Director and be available for review at the next board meeting.

* * * * *

DISCUSSION AND POSSIBLE VOTE REGARDING THE SALARY AND DATE OF HIRE OF THE NEW EXECUTIVE DIRECTOR. PROPOSED EXECUTIVE SESSION, IF DEEMED NECESSARY BY LEGAL COUNSEL, TO DISCUSS THE SALARY AND DATE OF HIRE OF THE NEW EXECUTIVE DIRECTOR, PURSUANT TO 25 O.S. § 307(B)(1).

Motion by Tony Davenport and second by Dave Roberts to enter into Executive Session (at approx. 11:14 a.m.). Ayes: Tony Davenport, Susan Knight, Brandy Manek, Ryan Perkins, Tim Foley, Dave Roberts, Chris Cook, Robert Groseclose, Sandra LaVenue and Jeff Russell. Absent: Andy McPherson and Thomas Cooper. Motion Carried.

Motion by Tony Davenport and second by Ryan Perkins to enter into Open Session (at approx. 11:24 a.m.). Ayes: Tony Davenport, Susan Knight, Brandy Manek, Ryan Perkins, Tim Foley, Dave Roberts, Chris Cook, Robert Groseclose, Sandra LaVenue and Jeff Russell. Absent: Andy McPherson and Thomas Cooper. Motion Carried.

Motion by Dave Roberts and second by Tim Foley to amend the board action from 7/18/2018 to the following, to offer the Executive Director position to Regina Sigler for \$137,359.00/yearly with an effective date of September 4, 2018. Ayes: Tony Davenport, Susan Knight, Brandy Manek, Ryan Perkins, Tim Foley, Dave Roberts, Chris Cook, Robert Groseclose, Sandra LaVenue and Jeff Russell. Absent: Andy McPherson and Thomas Cooper. Motion Carried.

* * * * *

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. 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. 12584-VCG, 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,

DISTRICT OF COLORADO), CASE NO 17-CV-01748, IN RE CLUBCORP HOLDINGS, INC. ET AL. (SECOND JUDICIAL DISTRICT COURT FOR THE STATE OF NEVADA IN AND FOR THE COUNTY OF WASHOE), CASE NO. 18-CV-2612, IN RE TRUECAR INC. (UNITED STATES DISTRICT COURT, CENTRAL DISTRICT OF CALIFORNIA), 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 Robert Groseclose and second by Dave Roberts to enter into Executive Session (at approx. 11:30 a.m.). Ayes: Tony Davenport, Susan Knight, Brandy Manek, Tim Foley, Dave Roberts, Chris Cook, Robert Groseclose, Sandra LaVenue and Jeff Russell. Absent: Andy McPherson, Ryan Perkins, and Thomas Cooper. Motion Carried.

Motion by Robert Groseclose and second by Dave Roberts to enter into Open Session (at approx. 11:39 a.m.). Ayes: Tony Davenport, Susan Knight, Brandy Manek, Tim Foley, Dave Roberts, Chris Cook, Robert Groseclose, Sandra LaVenue and Jeff Russell. Absent: Andy McPherson, Ryan Perkins, and Thomas Cooper. Motion Carried.

Motion by Tony Davenport and second by Dave Roberts to engage in litigation in Nevro Corporation with Saxena White. Ayes: Tony Davenport, Susan Knight, Brandy Manek, Tim Foley, Dave Roberts, Chris Cook, Robert Groseclose, Sandra LaVenue and Jeff Russell. Absent: Andy McPherson, Ryan Perkins, and Thomas Cooper. Motion Carried.

* * * * *

NEW BUSINESS

No new business

* * * * *

BOARD MEMBERS' REPORTS

No board members' reports

* * * * *

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

Mr. Sean Ruark advised the board of the following conferences:

- o ACG Due Diligence Meeting – St. Louis, MO
 - o August 28-29, 2018
- o NCPERS Public Pension Funding Forum – Royal Sonesta – Boston, MA
 - o September 16-18, 2018
- o Oklahoma Public Funds Trustee Education Conference – Tulsa, OK
 - o September 26-28, 2018
- o IFEBP 64th Annual Employee Benefits Conference – New Orleans, LA
 - o October 14-17, 2018
- o NCPERS Public Safety Conference and Accredited Fiduciary Program – Paris Las Vegas – Las Vegas, NV
 - o October 27-31, 2018

Motion by Dave Roberts and second by Tim Foley to approve the following list for conference attendance.

ACG Due Diligence – Jeff Russell and Ginger Sigler

NCPERS Public Pension Funding Forum– Robert Groseclose and Tony Davenport

NCPERS Public Safety Conference – Tony Davenport

Ayes: Tony Davenport, Susan Knight, Brandy Manek, Tim Foley, Dave Roberts, Chris Cook, Robert Groseclose, Sandra LaVenue and Jeff Russell. Absent: Andy McPherson, Ryan Perkins, and Thomas Cooper. Motion Carried.

* * * * *

DIRECTOR’S REPORT

Mr. Ruark stated Finley & Cook were conducting the annual financial audit and would be in the office through the end of the month. He advised the office and board would be moving to Office 365 in September and that Pension Gold hosting would be moved from OMES to LRS October 1, 2018. He advised that Community Care would be vacating their space on October 31, 2018. He mentioned that he had spoken to a Tulsa area State Representative who wants to learn more about the system and how he can advocate for OPPRS. He mentioned a letter about the stipend had been sent to all possible eligible retirees, Nomination Petitions were due back August 22, 2018, Legislative Consultant RFP’s were due back August 31, 2018, and lunch would be at Cattleman’s courtesy of Ray Ix and Mount Lucas Management following today’s meeting. Mr. Ruark also advised that many of the cities were having issues getting membership documents to OPPRS in time for the agenda deadline. He stated that they often waited until the last minute to schedule physicals, and that he would be sending an email to all cities to help them remember to schedule physicals early enough so there was ample time for review.

* * * * *

MOUNT LUCAS MANAGEMENT CORPORATION – PERFORMANCE AND PRODUCT UPDATE. BOARD TO TAKE APPROPRIATE ACTION AS DEEMED NECESSARY.

Mr. Ray Ix provided a brief update on the performance of Mount Lucas Management, a copy of which is attached as Exhibit “J”.

* * * * *

The meeting was adjourned at approximately 12:13 p.m.

A quorum of the Board did attend lunch, during which business of the System was not discussed. The lunch was held at Cattlemen’s Steakhouse, 1309 S. Agnew Ave, Oklahoma City, Oklahoma.

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.