

**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**

DECEMBER 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, December 21, 2016, in the Board Room of the Oklahoma Police Pension and Retirement System.

MEMBERS PRESENT: Craig Akard, Tom Custer, Tony Davenport, Jim Keesee, Susan Knight, Andy McPherson, Ryan Perkins, Rick Smith, W.B. Smith, 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; Ann Burrows, Comptroller; Kim Heaton, Attorney General's Office; George Tarlas, Asset Consulting Group; David Bross, Smolen, Smolen, and Roytman; Mark Nelson, Oklahoma City Fraternal Order of Police; Ron Bartmier, State of Oklahoma Fraternal Order of Police; and Jarrod Leaman, James R. Moore and Associates.

MEMBERS ABSENT: Brandy Manek
Frank Stone arrived at approximately 10:20am and Tony Davenport left at approximately 11:55am

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APPROVAL OF MINUTES OF REGULAR BOARD MEETING HELD NOVEMBER 16, 2016

Motion by Craig Akard and second by Rick Smith to approve the Minutes of the Regular Board Meeting held November 16, 2016. Ayes: Craig Akard, Tom Custer, Tony Davenport, Rick Smith, W.B. Smith, Jeff Pierce, and Tim Foley. Abstain: Jim Keesee, Susan Knight, Andy McPherson, and Ryan Perkins. Absent: Brandy Manek and Frank Stone. 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> |
|----------------------|-------------|
| Dakota T. McClendon | Cushing |
| Kurt A. McKean | Cushing |
| Bradley S. George | Elk City |
| Justin C. Williams | Forest Park |
| Brandon V. Hopkins | Hugo |
| Kenton J. Blumenthal | Lindsay |
| Kyle M. Phillips | Lindsay |
| Matthew A. Wagner | Lindsay |
| Thomas A. Ohman | Mannford |

Michael A. Haynes	Nicama Park
Brent J.V. Holmes	Oologah
Dewilton E. Rhoden	Oologah
Isidro Barrios	Pauls Valley
Collin S. Cooper	Pauls Valley
William R. Hargraves	Ponca City
Mitchel B. Phillips	Pryor
John A. Bristow, Jr.	Shawnee
Jarvis M. Allen	Tulsa
Daniel E. Bunch	Tulsa
Nathanael J. Cantrell	Tulsa
Jonathan B. Cardenas	Tulsa
Steven D. Daniels	Tulsa
Andrew H. DeGeorge	Tulsa
Nelson C. Ehirim	Tulsa
Jesse W. Graham	Tulsa
Kyle J. Huerta	Tulsa
James S. Kidd	Tulsa
Jeffrey A. Maxey	Tulsa
William C. McAllister	Tulsa
Kody W. McKnight	Tulsa
Selena Ortega	Tulsa
Kyle A. Russell	Tulsa
Kurth M. Sires	Tulsa
Micheal D. Snyder	Tulsa
Sabrena R. Switzer	Tulsa
Clay S. Veldkamp	Tulsa
John A. Walker	Tulsa
Janee' M. Williams	Tulsa
James K. Burk	Wagoner
Daren E. Staley	Warner
Dana R. Acree	Wister

b. Application for Refund of Contributions:

<u>Name</u>	<u>City</u>
Eddie Duran	Altus
Jerry Wieland	Blackwell
Nicholas Z. Doe	Clinton
Patrick Hepner	Coweta
Joseph Hodges	Enid
Michael J. Bouziden	Hobart
Ryan Caldwell	Idabel
Cory Cole	Idabel
Chester L. Howe	Lawton
Mike A. Yates	Midwest City
Travis Potts	Muskogee
Robert A. Honeyman	Newkirk
Ryan Robison	Nowata
Eric SoFian	Pawhuska
Jason Hedges	Sapulpa

Kelcey Frazier	Spencer
Matthew Frazier	Tulsa
Amy Jensen	Tulsa
Ronnie J. Berry, II	Wetumka
Jamie L. Breedlove	Wewoka

c. Terminate Deferred Option Plan to Begin Service Pension:

<u>Name</u>	<u>City</u>	<u>Eff. Date</u>
Mark Nickel	Midwest City	02/01/2017

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>
Gary Sanderson	Alva	01/01/2012	01/01/2017
Loyd D. London, Jr.	McAlester	04/01/2014	01/01/2017
Frankie McClendon	McAlester	04/01/2014	01/01/2017
Clarence E. Crockett	Miami	08/01/2015	12/01/2016
Debra Magers	Norman	12/01/2012	12/01/2016
Rodney S. Marshall	Seminole	12/01/2015	01/01/2017
Mariann Hasselbar	Tulsa	12/01/2011	12/01/2016
Brian McClanahan	Tulsa	01/01/2012	01/01/2017
Mark Shelton	Tulsa	01/01/2012	01/01/2017
Tony Almaguer	Watonga	07/01/2015	01/01/2017

e. Death Benefit:

<u>Name</u>	<u>City</u>
JoAnn S. Cole, widow of Kenneth R. Cole	Alva
Martha E. Duke, widow of Kenneth P. Duke, Sr.	Broken Arrow
Cecelia Blades, widow of Marvin Blades	Tulsa
Shirley Sarlo, widow of William A. Lee, Jr.	Tulsa

f. Continuation of Benefit:

<u>Name</u>	<u>City</u>
JoAnn S. Cole, widow of Kenneth R. Cole	Alva
Martha E. Duke, widow of Kenneth P. Duke, Sr.	Broken Arrow
Cecelia Blades, widow of Marvin Blades	Tulsa
Shirley Sarlo, widow of William A. Lee, Jr.	Tulsa

Motion by Craig Akard and second by Jim Keesee for approval of applications for Police Deferred Option Plan, Participation, Service Pension, Refunds and Benefits. Ayes: Craig Akard, Tom Custer, Tony Davenport, Jim Keesee, Susan Knight, Andy McPherson, Ryan Perkins, Rick Smith, W.B. Smith, Jeff Pierce, and Tim Foley. Absent: Brandy Manek and Frank Stone. Motion Carried.

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PAUL RINKEL, JENKS – REQUEST TO BUY BACK PRIOR SERVICE FROM OKLAHOMA TEACHER’S RETIREMENT SYSTEM FROM 06/01/1995 TO 07/30/1997. BOARD TO TAKE APPROPRIATE ACTION AS DEEMED NECESSARY.

Motion by Jim Keesee and second by Ryan Perkins to approve request to buy back prior service from Oklahoma Teacher’s Retirement System from 6/1/1995 to 7/30/1997 for Paul Rinkel. Ayes: Craig Akard, Tom Custer, Tony Davenport, Jim Keesee, Susan Knight, Andy McPherson, Ryan Perkins, Rick Smith, W.B. Smith, Jeff Pierce, and Tim Foley. Absent: Brandy Manek and Frank Stone. Motion Carried.

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THOMAS J. LEBLANC, TULSA – REQUEST TO RESCIND APPLICATION FOR VESTED BENEFIT APPROVED BY THE BOARD ON 12/21/2011 AND REQUEST FOR APPROVAL OF APPLICATION FOR PARTICIPATION. BOARD TO TAKE APPROPRIATE ACTION AS DEEMED NECESSARY.

Motion by Ryan Perkins and second by Jim Keesee to approve request to rescind Application for Vested Benefit approved on 12/21/2011 and request for approval of Application for Participation for Thomas J. Leblanc. Ayes: Craig Akard, Tom Custer, Tony Davenport, Jim Keesee, Susan Knight, Andy McPherson, Ryan Perkins, Rick Smith, W.B. Smith, Jeff Pierce, and Tim Foley. Absent: Brandy Manek and Frank Stone. Motion Carried.

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JAMES M. STILLEY, YUKON – REQUEST TO BUY BACK PRIOR SERVICE WHILE EMPLOYED WITH THE EL RENO POLICE DEPARTMENT FROM 01/24/2005 TO 03/23/2007. BOARD TO TAKE APPROPRIATE ACTION AS DEEMED NECESSARY.

Motion by Tony Davenport and second by Craig Akard to approve request to buy back prior service while employed with the El Reno Police Department from 1/24/2005 to 3/23/2007 for James M. Stilley. Ayes: Craig Akard, Tom Custer, Tony Davenport, Jim Keesee, Susan Knight, Andy McPherson, Ryan Perkins, Rick Smith, W.B. Smith, Jeff Pierce, and Tim Foley. Absent: Brandy Manek and Frank Stone. 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 November 2016 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 NOVEMBER 30, 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 November 30, 2016, a copy of which is attached as Exhibit "E". As of November 30, 2016, the total Fund was approximately \$2,250,910,000.00. The one-year return net of fees for the total Fund is 4.48%.

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DISCUSSION AND POSSIBLE VOTE REGARDING FINAL AVERAGE SALARY STATUTE AND RULES RELATED THERETO. BOARD TO TAKE APPROPRIATE ACTION AS DEEMED NECESSARY

Mr. Jarrod Leaman addressed the board and presented draft language regarding a break in service during the final 30 months of employment, a copy of which is attached as Exhibit “F”. The presented language allowed the break in service to be made up at the end of employment. The language would require a statute change.

Motion by Craig Akard and second by Tony Davenport to take the proposed rule changes under advisement and send to Davis Graham and Stubbs for review and IRS compliance. Ayes: Craig Akard, Tom Custer, Tony Davenport, Jim Keese, Susan Knight, Ryan Perkins, Rick Smith, W.B. Smith, Frank Stone, Jeff Pierce, and Tim Foley. Absent: Brandy Manek and Andy McPherson. Motion Carried.

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DISCUSSION AND POSSIBLE VOTE REGARDING POSSIBLE PROPOSAL RELATING TO A STIPEND FOR RETIRED SYSTEM MEMBERS. BOARD TO TAKE APPROPRIATE ACTION AS DEEMED NECESSARY.

Mr. Steven Snyder and Mr. Ron Bartmier addressed the board regarding the possibility of passing legislation during the current session to grant a stipend to retired members. Mr. Snyder presented the board with a letter from Cavanaugh Macdonald discussing the impact of a 13th check, a copy of which is attached as Exhibit “G”. Mr. Bartmier stated the FOP had been out at the capitol and garnered support from Rep. Jon Echols and Rep. Randy McDaniel regarding the issue. Mr. Bartmier stated language was presented last legislative session but was never heard out of Rep. McDaniel’s office.

Motion by Rick Smith and second by Tom Custer to accept the Actuary Letter and state OPPRS has no objection to granting a one-time stipend to retired members. Ayes: Craig Akard, Tom Custer, Tony Davenport, Jim Keese, Susan Knight, Andy McPherson, Ryan Perkins, Rick Smith, W.B. Smith, Frank Stone, Jeff Pierce, and Tim Foley. Absent: Brandy Manek. 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. Snyder revisited the idea of hiring a Legislative Consultant to represent Oklahoma Police Pension and Retirement System. He stated Mr. Bartmier, through the Oklahoma Fraternal Order of Police lobbyist, had provided a list of possible people to fill the position of Legislative Consultant that he felt would work well with the FOP. Mr. Bartmier stated the FOP had no objection to OPPRS hiring a Legislative Consultant. He stated the FOP Lobbyist would be working for the members and the OPPRS lobbyist would be representing the interest of the system.

Motion by Ryan Perkins and second by Tom Custer to hire a Full Time Legislative Consultant. Ayes: Craig Akard, Tom Custer, Susan Knight, Andy McPherson, Ryan Perkins, Rick Smith, W.B. Smith, and Tim Foley. Nay: Tony Davenport, Jim Keese, Frank Stone, and Jeff Pierce. Absent: Brandy Manek. Motion Carried.

Mr. Snyder will reach out to the people recommended by Mr. Bartmier and get information from them regarding their availability, services, and cost.

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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

Motion by Rick Smith and second by Craig Akard to enter into Executive Session (at approx. 11:55am) Ayes: Craig Akard, Tom Custer, Jim Keesee, Susan Knight, Andy McPherson, Ryan Perkins, Rick Smith, W.B. Smith, Frank Stone, Jeff Pierce, and Tim Foley. Absent: Tony Davenport and Brandy Manek. Motion Carried.

Motion by Jim Keesee and second by Craig Akard to enter into Open Session (at approx. 12:05pm) Ayes: Craig Akard, Tom Custer, Jim Keesee, Susan Knight, Andy McPherson, Ryan Perkins, Rick Smith, W.B. Smith, Frank Stone, Jeff Pierce, and Tim Foley. Absent: Tony Davenport and Brandy Manek. Motion Carried.

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NEW BUSINESS

No new business.

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BOARD MEMBERS' REPORTS

Mr. Andy McPherson apologized for not being present at previous meetings and stated he was rearranging his schedule to be available for future board meetings.

Mr. W.B. Smith discussed the crisis with the Dallas Police and Fire Pension System. He also stated he was testing a Microsoft Surface and most likely OPPRS would be purchasing them for all board members to replace the iPads.

Mr. Jim Keesee stated he was in favor of going to Microsoft Surface's in place of the iPads.

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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:

- o NAPO's Annual Pension & Benefits Seminar
 - o February 26-28, 2017 – Orlando, FL
- o NCPERS Annual Conference & Exhibition with TEDS and Accredited Fiduciary Program
 - o May 20-24, 2017 – Hollywood, FL
- o IFEBP Annual Conference
 - o October 22 – 25, 2017 – Mandalay Bay, Las Vegas, NV

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DIRECTOR'S REPORT

Mr. Snyder stated new Information Sheets were at each board members place and to please fill them out and return to Darcie. He wished the board a Merry Christmas and Happy New Years!

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The meeting was adjourned at approximately 12:15pm.

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.