

**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**

FEBRUARY 15, 2017

The regular meeting of the Oklahoma Police Pension and Retirement Board was called to order by Chairman W.B. Smith at approximately 10:01 a.m. on Wednesday, February 15, 2017, 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, 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; Jason Pulos, Asset Consulting Group; and Gus Catsavis, Pinnacle Asset Management, L.P.

MEMBERS ABSENT: Andy McPherson
Frank Stone left at approximately 11:35am

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APPROVAL OF MINUTES OF REGULAR BOARD MEETING HELD JANUARY 18, 2017

Motion by Rick Smith and second by Jim Keesee to approve the Minutes of the Regular Board Meeting held January 18, 2017. Ayes: Craig Akard, Tom Custer, Jim Keesee, Susan Knight, Brandy Manek, Ryan Perkins, Rick Smith, W.B. Smith, Frank Stone, Jeff Pierce, and Tim Foley. Abstain: Tony Davenport. 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>
Eddie L. Duran	Altus
Kristopher M. Franta	Alva
Kyle N. Fuller	Alva
Jacob R. Patton	Atoka
Austin E. Allen	Bixby
Hunter D. Nahkala	Bixby
Matthew A. Ross	Bixby
Shayne M. Melton	Chickasha
Edward L. Dodson	Chouteau
Thomas D. Grimsley, III	Collinsville
Robert A. Elliott	Enid
Spencer B. McCarter	Enid

Jordan R. Nichols	Enid
Adam L. Prince	Eufaula
Wesley A. Johnson	Glenpool
Jordan P. Weygand	Glenpool
Trevor N. Ashby	Guymon
Matthew D. Capshaw, Jr.	Guymon
Emilee M. Brooks	Idabel
Kendra E. Denig	Lawton
Michael B. Mullin, III	Miami
Heather L. Still	Midwest City
Sara N. Gurchinoff	Moore
John N. Dirion	Muskogee
Jeffery A. Johnson	Muskogee
Patrick E. Perry	Muskogee
Jeffrey H. Smith	Perry
William J. Sharp	Sallisaw
Bo K. Welch	Sallisaw
Kendric D. Davis	Sapulpa
Baylor J. Pittinger	Sapulpa
Brandan T. Welsh	Sapulpa
Zachery T. Dennis	Seminole
Robbie G. Frazier	Stillwater
Tanner R. Galbiso	Stillwater
Miguel R. Najera	Stillwater
Joshua I. Rudluff	Stillwater
Joshua B. Simpson	Stillwater
Cory B. Westbrook	Stillwater
Jimmy R. Williams	Vinita
Lowell A. Wilcoxon	Wagoner
Brian A. Johnson	Watonga

b. Application for Refund of Contributions:

<u>Name</u>	<u>City</u>
Joshua Harrington	Atoka
Dustin Smith	Bristow
Joel Hendrix	Chickasha
Jeremy W. Snyder	Claremore
Cody L. Hash	Edmond
Casey Torix	Eufaula
Kyle Coats	Granite
John A. Grimes	Guymon
Drew Wiley	Hinton
Clayburn Farrington	Hobart
LeKeta M. Keith	Lindsay
Michael Mashburn	Mannford
Alex Brown	Muskogee
Brennon Ivey	Norman
Derek L. Price, II	Norman
Sean A. Steele	Norman

Joseph Marshall	Oklahoma City
Joshua T. Sanders	Okmulgee
Westen Vincent	Tonkawa
Robert Blankenship	Tulsa

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>
Ricky G. Smith	Broken Arrow	03/01/2012	03/01/2017
Charles E. Downum	Claremore	02/01/2016	02/01/2017
Daniel L. Peterson	Midwest City	02/01/2012	02/01/2017
Jay T. Cooper	Oklahoma City	12/01/2015	02/01/2017
Charles E. Provines	Oklahoma City	03/01/2012	03/01/2017
Steven S. Vassar	Oklahoma City	04/01/2012	04/01/2017
Thomas A. Burg	Ponca City	04/01/2014	03/01/2017
Delwin Clark	Sapulpa	08/01/2016	02/01/2017
Gary Neece	Tulsa	09/01/2012	02/01/2017

d. Application for Service Pension:

<u>Name</u>	<u>City</u>	<u>Eff. Date</u>
Paul Rinkel	Jenks	01/01/2017
Anita Hass	Tulsa	02/01/2017
Stephanie R. Jackson	Tulsa	02/01/2017

e. Application for Vested Benefit:

<u>Name</u>	<u>City</u>	<u>Eff. Date</u>
John R. Frazier	Muskogee	11/21/2026

f. Death Benefit:

<u>Name</u>	<u>City</u>
Andrea Orr, widow of Eugene Orr	Broken Arrow
JoAnn Dale, widow of Tommy L. Dale	Oklahoma City
Steven W. Hodges, Personal Rep. of Charles W. Hodges	Tulsa

g. Continuation of Benefit:

<u>Name</u>	<u>City</u>
JoAnn Dale, widow of Tommy L. Dale	Oklahoma City

h. Termination of Benefit:

<u>Name</u>	<u>City</u>
Charles W. Hodges	Tulsa

i. Application for Survivor's Pension for Death Not in Line of Duty:

<u>Name</u>	<u>City</u>	<u>Eff. Date</u>
Andrea Orr, widow of Eugene Orr	Broken Arrow	12/10/2016

Motion by Craig Akard and second by Tony Davenport 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, 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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KORI BREWER, CHICKASHA – REQUEST TO BUY BACK PRIOR SERVICE FROM OKLAHOMA LAW ENFORCEMENT RETIREMENT SYSTEM FROM 01/01/2002 TO 10/31/2002. BOARD TO TAKE APPROPRIATE ACTION AS DEEMED NECESSARY.

Motion by Jim Keesee and second by Tony Davenport to approve request to buy back prior service from Oklahoma Law Enforcement Retirement System from 01/01/2002 to 10/31/2002 for Kori Brewer, Chickasha. 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 "A"; the Account #8557A, Fund Expenditures (receipts and disbursements), report for January 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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PINNACLE ASSET MANAGEMENT, L.P. – PERFORMANCE AND PRODUCT PRESENTATION. BOARD TO TAKE APPROPRIATE ACTION AS DEEMED NECESSARY.

Mr. Gus Catsavis presented Pinnacle Opportunity, L.P. Update, a copy of which is attached as Exhibit "E".

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ASSET CONSULTING GROUP – FINANCIAL CONSULTANT REPORT FOR MONTH ENDED JANUARY 31, 2017, QUARTERLY REPORT FOR QUARTER ENDED DECEMBER 31, 2016, 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 January 31, 2017, a copy of which is attached as Exhibit "F". As of January 31, 2017, the total Fund was approximately \$2,301,913,000.00. The one-year return net of fees for the total Fund is 12.00%.

Mr. Jason Pulos reviewed the Quarterly Report for quarter ended December 31, 2016, a copy of which is attached as Exhibit "G".

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DISCUSSION OF LEGAL FEES REGARDING LEGISLATION AND RULES. BOARD TO TAKE APPROPRIATE ACTION AS DEEMED NECESSARY.

Mr. Steven Snyder presented the board with Davis Graham & Stubbs LLP invoices from July 2015 to May 2016, a copy of which is attached as Exhibit "H".

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REVIEW OF BILLS INTRODUCED BY THE HOUSE OF REPRESENTATIVES AND THE SENATE WHICH WOULD IMPACT THE OKLAHOMA POLICE PENSION AND RETIREMENT SYSTEM.

Mr. Steven Snyder reviewed the 2017 Bill Portfolio, a copy of which is attached as Exhibit “I”.

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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 presented the board with the Securities Class Action Settlements, which included Magnachip Semiconductor Corp, Fifth Street Finance Corp., and Sientra, Inc., a copy of which is attached as Exhibit “J”. He stated all other cases were status quo.

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NEW BUSINESS

Mr. W.B. Smith noted the Microsoft Surface was working well and had a battery life of about 7 hours.
Mr. Frank Stone stated that OPERS started using iPads for their meeting and that the staff was loading the data and the board used a secure website to view the documents before the meeting.
Ms. Kim Heaton advised that the rules stated any board vacancy within 6 months of a regular election did not require a special election. She stated that any board vacancy that was more than 6 months from the regular election would need a special election to fill the vacancy.

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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:

- o NCPERS Annual Conference & Exhibition with TEDS and Accredited Fiduciary Program
 - o May 20-24, 2017 – Hollywood, FL
- o NCPERS Public Pension Funding Forum – San Francisco, CA
 - o September 10-12, 2017
- o OPFTEC
 - o September 27-29, 2017
- o NCPERS Public Safety Employees’ Pension and Benefits Conference – Hyatt Regency, San Antonio, TX
 - o October 1-3, 2017
- o IFEBP Annual Conference
 - o October 22 – 25, 2017 – Mandalay Bay, Las Vegas, NV

Mr. Snyder stated the OMRF was hosting OPFTEC this year.

Mr. Jason Pulos stated that ACG was holding their one-day workshop in OKC on April 25 or 26, 2017.

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DIRECTOR’S REPORT

Mr. Snyder stated Directors Letter will be mailed on Friday, February 17, 2017 and nomination petitions are due by March 17, 2017. He advised the April Managers Dinner would be at Deep Fork Grill and the Annual Tenant Appreciation Picnic will be after the May board meeting.

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The meeting was adjourned at approximately 11:35am.

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 DARCIÉ GORDON, ADMINISTRATIVE OFFICER.