

**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

JANUARY 18, 2017

The regular meeting of the Oklahoma Police Pension and Retirement Board was called to order by Chairman W.B. Smith at approximately 10:05 a.m. on Wednesday, January 18, 2017, in the Board Room of the Oklahoma Police Pension and Retirement System.

MEMBERS PRESENT: Craig Akard, Tom Custer, Jim Keesee, Susan Knight, Ryan Perkins, Rick Smith, W.B. Smith, 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, Asset Consulting Group; Mark Nelson and John George, Oklahoma City Fraternal Order of Police; Ron Bartmier, State of Oklahoma Fraternal Order of Police; Jason Sparks, Moore Fraternal Order of Police; and Melinda Farrow.

MEMBERS ABSENT: Tony Davenport, Andy McPherson, Frank Stone, and Jeff Pierce

Brandy Manek arrived at approximately 10:08am

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HEARING: CASE NO. OPPRB 16-01, APPLICATION FOR DISABILITY BENEFIT IN LINE OF DUTY FOR MELINDA FARROW, WEATHERFORD.

Ms. Melinda Farrow was present and was not represented by legal counsel.

Mr. Steven Snyder introduced Exhibits 1-5:

- OPPRS Exhibit #1 – Notice of Hearing, dated December 29, 2016
- OPPRS Exhibit #2 – Application for Disability Benefit In Line of Duty, dated September 16, 2016
- OPPRS Exhibit #3 – Occupational Injury or Illness Report, dated January 17, 2014
- OPPRS Exhibit #4 – No Position Letter from the City of Weatherford, dated September 12, 2016
- OPPRS Exhibit #5 – Report from Dr. John Munneke, dated November 28, 2016

Ms. Farrow testified that she injured her Left Knee doing the shrimp crawl during CLEET training.

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

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

Motion by Craig Akard and second by Jim Keesee to award Ms. Melinda Farrow a 10% impairment rating which equals a 50% disability benefit. Ayes: Craig Akard, Tom Custer, Jim Keesee, Susan Knight, Brandy Manek, Ryan Perkins, Rick Smith, W.B. Smith, and Tim Foley. Absent: Tony Davenport, Andy McPherson, Frank Stone, and Jeff Pierce. Motion Carried.

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APPROVAL OF MINUTES OF REGULAR BOARD MEETING HELD DECEMBER 21, 2016

Motion by Ryan Perkins and second by Jim Keesee to approve the Minutes of the Regular Board Meeting held December 21, 2016. Ayes: Craig Akard, Tom Custer, Jim Keesee, Susan Knight, Ryan Perkins, Rick Smith, W.B. Smith, and Tim Foley. Abstain: Brandy Manek. Absent: Tony Davenport, Andy McPherson, Frank Stone, and Jeff Pierce. 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>
Tracy D. Roles	Anadarko
Blaine L. Lander	Chickasha
Michael W. Gray	Del City
Daniel T. Pollet	Glenpool
Hailey D. Fisher	Guthrie
Shannon E. Peel	Guthrie
Ryan A. Simpson	Guthrie
Brian D. Sears	Idabel
Jesse G. Alverson	Lawton
Jace M. Bennett	Lawton
Christopher T. Biegler	Lawton
Colin J. Book	Lawton
Michael D. Boudreaux	Lawton
Joshua D. Foreman	Lawton
Joshua S. Gardner	Lawton
Richard A. Hackley	Lawton
Derrick R. Kuhlman	Lawton
Austin M. Mahsetky	Lawton
Osmar R. Molina	Lawton
Austin D. Sadler	Lawton
Felix Santillan, Jr.	Lawton
Sedona M. Warren	Lawton
Ronald C. Smith, Jr.	Marlow
Sean Ryan W. Murphy	Ringling
Phillip M. Chapman	Tulsa
Julie M. Hopper	Tulsa
Erin E. McKelvey	Tulsa
Brian J. Randolph	Woodward

b. Application for Refund of Contributions:

<u>Name</u>	<u>City</u>
Susan L. Parkhurst, Personal Rep. of Tyler G. Burkett	Blackwell
Andrew Minson	Blackwell
Jeromy Smith	Chickasha
Christopher D. Griffin	Del City
Ryan Leath	Edmond
Matthew Hampton	Muskogee
Katelyn Dixon	Norman
Ashley M. Peters	Oklahoma City
Jakob Siler	Oklahoma City
David M. Huffman	Tahlequah
Brandon Rogers	Tulsa
Gary D. Mitchell	Woodward

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>
William J. Horn	Midwest City	03/01/2012	03/01/2017
Michael Johnson	Muskogee	02/01/2012	02/01/2017
Terry L. Baer	Oklahoma City	02/01/2012	02/01/2017
Julie A. Pearson	Oklahoma City	10/01/2013	03/01/2017
Earl F. Watkins	Ponca City	12/01/2014	02/01/2017
James H. McClaughry	Tulsa	01/01/2012	01/01/2017
Kevin M. Staats	Tulsa	01/01/2012	01/01/2017
Danny Tedrick	Tulsa	01/01/2012	01/01/2017

d. Application for Service Pension:

<u>Name</u>	<u>City</u>	<u>Eff. Date</u>
Daniel Petitt	Miami	02/01/2017
Brian L. Wattenbarger	Tulsa	02/01/2017

e. Death Benefit:

<u>Name</u>	<u>City</u>
Susan L. Parkhurst, Personal Rep. of Tyler G. Burkett	Blackwell
E. Louise Foster, widow of John R. Foster	Chickasha
Alice Ford, widow of Dale A. Ford	Midwest City
Alma M. Horn, widow of Bob J. Horn	Tulsa

f. Continuation of Benefit:

<u>Name</u>	<u>City</u>
E. Louise Foster, widow of John R. Foster	Chickasha
Alice Ford, widow of Dale A. Ford	Midwest City
Alma M. Horn, widow of Bob J. Horn	Tulsa

g. Application for Monies Due the Estate from the System:
Name City
Thomas E. Maxwell, Personal Rep. of Tulsa
Veda L. Riggs

h. Termination of Benefit:
Name City
Veda L. Riggs 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: Craig Akard, Tom Custer, Jim Keesee, Susan Knight, Brandy Manek, Ryan Perkins, Rick Smith, W.B. Smith, and Tim Foley. Absent: Tony Davenport, Andy McPherson, Frank Stone, and Jeff Pierce. Motion Carried.

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WILLIAM J. STRAILY, LAWTON – REQUEST TO RESCIND APPLICATION FOR VESTED BENEFIT APPROVED 02/19/2014 AND REQUEST TO APPROVE APPLICATION FOR REFUND OF CONTRIBUTIONS. BOARD TO TAKE APPROPRIATE ACTION AS DEEMED NECESSARY.

Motion by Jim Keesee and second by Craig Akard to approve request to rescind Application for Vested Benefit approved 2/19/2014 and request to approve Application for Refund of Contributions for William J. Straily, Lawton. Ayes: Craig Akard, Tom Custer, Jim Keesee, Susan Knight, Brandy Manek, Ryan Perkins, Rick Smith, W.B. Smith, and Tim Foley. Absent: Tony Davenport, Andy McPherson, Frank Stone, and Jeff Pierce. 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 December 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 DECEMBER 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 December 31, 2016, a copy of which is attached as Exhibit "E". As of December 31, 2016, the total Fund was approximately \$2,264,618,000.00. The one-year return net of fees for the total Fund is 7.09%.

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

Mr. Snyder advised the board that they had been supplied with information from the original 5 RFP responses as well as a new one from Jordan Strategies whom was recommended by the state FOP. He also advised that it was not the board's intent to hire a Legislative Consultant to go against the FOP but to work in conjunction with the FOP lobbyist. He also stated that a bill introduced by Rep.

Echols last session was still pending regarding a stipend/13th check. He stated with a \$900 million shortfall in state funds that we could be looking at possible negative impacts on the pension system.

Mr. Ryan Perkins stated he was concerned about possible issues that might come up as well as the stipend issue.

Mr. Ron Bartmier stated that the state FOP was in support of hiring a lobbyist for the one time issue of the stipend/13th check.

Mr. John George, President of Oklahoma City Fraternal Order of Police stated that his membership is opposed to hiring a Legislative Consultant of any type. He stated they did not see a need when the FOP already has a lobbyist.

Motion by Ryan Perkins and second by Craig Akard to enter into a contract with Jordan Strategies. Ayes: Craig Akard, Tom Custer, Jim Keesee, Ryan Perkins, Rick Smith, and Tim Foley. Nays: Susan Knight, Brandy Manek, and W.B. Smith. Absent: Tony Davenport, Andy McPherson, Frank Stone, and Jeff Pierce. Motion Failed.

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LEGISLATIVE UPDATE

Mr. Snyder stated that HB1119 was the OPPRS IRS Technical Cleanup Bill and HB2839 was Rep. Echols stipend bill.

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PROPOSED EXECUTIVE SESSION, IF DEEMED NECESSARY BY LEGAL COUNSEL TO DISCUSS OPINION FROM LEGAL COUNSEL REGARDING STATUTE AND/OR RULE CHANGE RELATING TO FURLOUGHS, LEAVE OF ABSENCES, AND SUSPENSIONS 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 Ryan Perkins to enter into Executive Session. Ayes: Craig Akard, Tom Custer, Jim Keesee, Susan Knight, Brandy Manek, Ryan Perkins, Rick Smith, W.B. Smith, and Tim Foley. Absent: Tony Davenport, Andy McPherson, Frank Stone, and Jeff Pierce. Motion Carried.

Motion by Craig Akard and second by Ryan Perkins to enter into Open Session. Ayes: Craig Akard, Tom Custer, Jim Keesee, Susan Knight, Brandy Manek, Ryan Perkins, Rick Smith, W.B. Smith, and Tim Foley. Absent: Tony Davenport, Andy McPherson, Frank Stone, and Jeff Pierce. 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 stated all cases were Status Quo.

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NEW BUSINESS

Mr. Ryan Perkins stated he was made aware of a FOIA Records Request made by the Moore Fraternal Order of Police.

Motion by Ryan Perkins and second by Craig Akard to charge all associated fees according to 550:1-1-7 to the requestor for FOIA request
Ayes: Craig Akard, Tom Custer, Jim Keese, Susan Knight, Brandy Manek, Ryan Perkins, Rick Smith, W.B. Smith, and Tim Foley. Absent: Tony Davenport, Andy McPherson, Frank Stone, and Jeff Pierce. Motion Carried.

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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 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 1099s were going to be mailed on Thursday (January 19, 2017) and the Annual Tennant Picnic would be held in May.

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The meeting was adjourned at approximately 11:43am.

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.