

**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**

JULY 19, 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, July 19, 2017, in the Board Room of the Oklahoma Police Pension and Retirement System.

MEMBERS PRESENT: W.B. Smith, Tony Davenport, Frank Stone, Andy McPherson, Jim Keesee, Brandy Manek, 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; George Tarlas, Asset Consulting Group; Ray Ix, Mount Lucas Management; Patricia Wheeler and Lee Davis, Oklahoma Office of Management and Enterprise Services; Jeff Pierce, Oklahoma City Police Department; and Randal Dame, Waddell & Reed Financial Advisors.

MEMBERS ABSENT: Ryan Perkins
Susan Knight arrived at approximately 10:15 am
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INTRODUCTION OF NEW BOARD MEMBERS

Mr. W.B. Smith had each of the four (4) new board members introduce themselves;

- Chris Cook, Edmond Police Department – replacing Tom Custer
- Dave Roberts, Oklahoma City Police Department – replacing Jeff Pierce
- Robert Groseclose, Mustang Police Department – replacing Craig Akard
- Thomas Cooper, Broken Arrow Police Department – replacing Rick Smith

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RECOGNITION OF JEFF PIERCE FOR HIS SERVICE TO THE STATE OF OKLAHOMA AS A TRUSTEE OF THE OKLAHOMA POLICE PENSION AND RETIREMENT BOARD. BOARD TO TAKE APPROPRIATE ACTION AS DEEMED NECESSARY.

Mr. W.B. Smith presented Jeff Pierce with a Resolution from the Board of Trustees of the Oklahoma Police Pension and Retirement System which thanked him for his service while on the board.

Motion by W.B. Smith and second by Jim Keesee to accept the recognition of Jeff Pierce for his service to the State of Oklahoma as a trustee of the Oklahoma Police Pension and Retirement Board. Ayes: W.B. Smith, Tony Davenport, Frank Stone, Andy McPherson, Jim Keesee, Brandy Manek, Tim Foley, Dave Roberts, Thomas Cooper, and Chris Cook. Absent: Susan Knight and Ryan Perkins. Motion Carried.

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FINLEY & COOK, PLLC – CERTIFICATION OF ELECTION RESULTS FOR STATE BOARD DISTRICT 2. BOARD TO TAKE APPROPRIATE ACTION AS DEEMED NECESSARY.

Motion by Jim Keesee and second by Andy McPherson to approve the Certification of Election Results for state board district 2. Ayes: W.B. Smith, Tony Davenport, Frank Stone, Andy McPherson, Jim Keesee, Brandy Manek, Tim Foley, Dave Roberts, Thomas Cooper, and Chris Cook. Absent: Susan Knight and Ryan Perkins. Motion Carried.

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APPROVAL OF MINUTES OF REGULAR BOARD MEETING HELD JUNE 21, 2017

Motion by Tony Davenport and second by Jim Keesee to approve the minutes of the Regular Board Meeting held June 21, 2017. Ayes: W.B. Smith, Tony Davenport, Frank Stone, Andy McPherson, Jim Keesee, Brandy Manek, Tim Foley, Dave Roberts, Thomas Cooper, Chris Cook, and Rob Groseclose. Absent: Susan Knight and Ryan Perkins. 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>
Patrick S. Robinson	Altus
Bo E. Hamilton	Blanchard
Hayden J. Jarrett	Chickasha
Zebadiah M. Wilson	Chickasha
Brendan F. O’Driscoll	Cleveland
Steven D. Underwood	Cleveland
Tyrel L. Stewart	Clinton
Alexander A. Gegen	Cushing
John D. Tice	Drumright
Christopher S. Alexander	Lindsay
Haleigh N. Cooley	Lindsay
Kolin G. Hall	Miami
Jacob D. Williams	Midwest City
Anthony D. Aponte	Norman
Kyle D. Hicks	Norman
Jonathon R. Jackson	Norman
Dustin C. Murchison	Norman
Anthony B. Nelson	Norman
Michael J. Petrilla	Norman
Brandon J. Tuccillo	Norman
Christopher J. Wilson	Norman
John R. Arnold	Owasso
Jarryd J. Mayers	Owasso
Paris A. Robertson	Pawhuska
Michael B. Hughes	Poteau
Jeffery A. Frazier	Pryor
Dillion M. Whetstine	Seminole

Robert B. Hill	Tecumseh
Tyler D. McFarland	Wagoner
Gabriel C. Castellano	Wetumka
Michael K. Lueking	Wetumka

b. Application for Refund of Contributions:

<u>Name</u>	<u>City</u>
Douglas S. Smith	El Reno
Earl F. Smith, III	Enid
Corey Dizer	Guthrie
Roger Case	Mannford
Leslie Dixon	Norman
Alexander S. Edwards	Oklahoma City
Kaylen Kennedy	Oklahoma City

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>
Michael B. Clark	Broken Arrow	08/01/2012	08/01/2017
Jody Suit	Del City	06/01/2016	09/01/2017
Jack Morris	Enid	08/01/2012	08/01/2017
Ancel S. Fees	Edmond	08/01/2014	08/01/2017
Kurt W. Short	Lawton	07/01/2012	07/01/2017
Lance C. Arnold	Norman	04/01/2017	07/01/2017
Randall Johnson	Oklahoma City	07/01/2012	07/01/2017
Gary Lee Perkinson	OSBI	08/01/2012	08/01/2017
Mark A. Harper	Owasso	07/01/2017	09/01/2017
Glen A. Klahr	Owasso	08/01/2012	08/01/2017
Geary Johns	Tulsa	06/01/2012	06/01/2017
Steven P. Odom	Tulsa	08/01/2012	08/01/2017
David H. Shelby	Tulsa	08/01/2012	08/01/2017

d. Application for Service Pension:

<u>Name</u>	<u>City</u>	<u>Eff. Date</u>
John T. Stege	Norman	08/01/2017
James R. Cole, Jr.	Tulsa	10/01/2017

e. Application for Vested Benefit:

<u>Name</u>	<u>City</u>	<u>Eff. Date</u>
Michael Lippmann	Muskogee	09/07/2029
Richard C. Harrell, Jr.	Okmulgee	04/27/2019
Ronald R. Jordan	Tulsa	05/03/2012

f. Death Benefit:

<u>Name</u>	<u>City</u>
Nikki E. Smith, widow of Ronald C. Smith, Sr.	Lawton
Sharon Hines-Ice, widow of Gary Ice	Miami
Kenneth Pemberton, widower of Frances Pemberton	Muskogee

Bonnie Davis, widow of Elliot J. Davis	Shawnee
Michelle Young, Personal Rep. of William A. Young, Jr.	Midwest City

g. Continuation of Benefit:

<u>Name</u>	<u>City</u>
Nikki E. Smith, widow of Ronald C. Smith, Sr.	Lawton
Sharon Hines-Ice, widow of Gary Ice	Miami
Kenneth Pemberton, widower of Frances Pemberton	Muskogee
Bonnie Davis, widow of Elliot J. Davis	Shawnee

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

<u>Name</u>	<u>City</u>
Michelle Young, Personal Rep. of William A. Young, Jr.	Midwest City

i. Termination of Benefit:

<u>Name</u>	<u>City</u>
William A. Young, Jr.	Midwest City

Motion by Jim Keesee and second by Tony Davenport for approval of applications for Police Deferred Option Plan, Participation, Service Pension, Refunds, and Benefits. Ayes: W.B. Smith, Tony Davenport, Frank Stone, Andy McPherson, Jim Keesee, Brandy Manek, Tim Foley, Dave Roberts, Thomas Cooper, Chris Cook, and Rob Groseclose. Absent: Susan Knight and Ryan Perkins. 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 June 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 JUNE 30, 2017 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 June 30, 2017, a copy of which is attached as Exhibit "E". As of June 30, 2017, the total Fund was approximately \$2,389,563,000.00. The one-year return net of fees for the total Fund is 11.14%.

Motion by Jim Keesee and second by Andy McPherson to approve the rate of return of 11.14%. Ayes: W.B. Smith, Tony Davenport, Frank Stone, Andy McPherson, Jim Keesee, Susan Knight, Brandy Manek, Tim Foley, Dave Roberts, Thomas Cooper, Chris Cook, and Rob Groseclose. Absent: Ryan Perkins. Motion Carried.

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ASSET CONSULTING GROUP -- ANNUAL REVIEW OF WRITTEN GUIDELINES AND EXPECTATIONS OF THE FUND'S INVESTMENT MANAGERS. BOARD TO TAKE APPROPRIATE ACTION AS DEEMED NECESSARY.

Mr. George Tarlas reviewed the proposed changes to the Oklahoma Police Pension and Retirement Fund Statement of Investment Policy, including Appendix A, a copy of which is attached as Exhibit "F".

Motion by Jim Keesee and second by Tony Davenport to approve changes to the Oklahoma Police Pension and Retirement Fund Statement of Investment Policy including Appendix A. Ayes: W.B. Smith, Tony Davenport, Frank Stone, Andy McPherson, Jim Keesee, Susan Knight, Brandy Manek, Tim Foley, Dave Roberts, Thomas Cooper, Chris Cook, and Rob Groseclose. Absent: Ryan Perkins. Motion Carried.

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DISCUSSION AND POSSIBLE VOTE REGARDING RESOLUTION RELATED TO CLARIFICATION OF FINAL AVERAGE SALARY. BOARD TO TAKE APPROPRIATE ACTION AS DEEMED NECESSARY

Mr. Steven Snyder advised the board that a resolution was needed in order to clarify the Final Average Salary statute language. He stated the resolution was just clarifying the way OPPRS was already calculating the final average salary.

Motion by Tony Davenport and second by Jim Keesee to approve the resolution. Ayes W.B. Smith, Tony Davenport, Frank Stone, Andy McPherson, Jim Keesee, Susan Knight, Brandy Manek, Tim Foley, Dave Roberts, Thomas Cooper, Chris Cook, and Rob Groseclose. Absent: Ryan Perkins. 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

Mr. Snyder advised OPPRS was no longer a part of the CardConnect Corp. case due to OPPRS position being sold before the case was filed. He stated Laydon vs. Mizuho Bank has several more banks working on settling. He stated all other cases were status quo.

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NEW BUSINESS

No new business.

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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 Public Pension Funding Forum – San Francisco, CA
 - o September 10-12, 2017
- o OPFTEC – Sulphur, OK
 - 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– Mandalay Bay, Las Vegas, NV
 - o October 22 – 25, 2017

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DIRECTOR’S REPORT

Mr. Snyder advised all the board seats were finally filled. He stated lunch would be at Cattleman’s with seating beginning at 11:45am and following lunch would be a New Trustee Education Conference for all new and any old board members wishing to attend. He mentioned that staff was still working with OMES on trying to get a web portal set up for board documents. He advised that the auditors would be in the office on August 8th and continue through the beginning of September. He stated the audit and actuary reports would be presented at the September board meeting. He mentioned that the Governor had signed a Declaration approving our rules and they would be effective 9-11-17. He also advised that he received a call advising that the Sherriff’s Deputies were interested in joining the system again. He advised there were many issues regarding that.

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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 "G."

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ELECTION OF CHAIRMAN OF THE BOARD PURSUANT TO 11 O.S. § 50-103.1(F).

Nominations for Chairman were opened to the Board.

Jim Keesee nominated W.B. Smith and Andy McPherson seconded the nomination.

Motion by Jim Keesee and second by Andy McPherson to elect W.B. Smith as Chairman. Ayes: Tony Davenport, Frank Stone, Andy McPherson, Jim Keesee, Susan Knight, Brandy Manek, Tim Foley, Dave Roberts, Thomas Cooper, Chris Cook, and Rob Groseclose. Abstain: W.B. Smith. Absent: Ryan Perkins. Motion Carried.

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ELECTION OF VICE CHAIRMAN OF THE BOARD PURSUANT TO 11 O.S. § 50-103.1(F).

Nominations for Vice Chairman were open to the Board.

Jim Keesee nominated Ryan Perkins and Tony Davenport seconded the nomination.

Motion by Jim Keesee and second by Tony Davenport to elect Ryan Perkins as Vice Chairman. Ayes: W.B. Smith, Tony Davenport, Frank Stone, Andy McPherson, Jim Keesee, Susan Knight, Brandy Manek, Tim Foley, Dave Roberts, Thomas Cooper, Chris Cook, and Rob Groseclose. Absent: Ryan Perkins. Motion Carried.

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The meeting was adjourned at approximately 12:01pm.

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 DARCI GORDON, ADMINISTRATIVE OFFICER.