

**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 18, 2018

The regular meeting of the Oklahoma Police Pension and Retirement Board was called to order by Acting Chairman Ryan Perkins at approximately 10:03 a.m. on Wednesday, July 18, 2018, in the Board Room of the Oklahoma Police Pension and Retirement System.

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

OTHERS: Sean Ruark, Interim Executive Director; Darcie Gordon, Administrative Officer; Deric Berousek, Chief Financial Officer; Lauren Holmes, Administrative Assistant; Thomas Schneider, Assistant Attorney General; George Tarlas, Asset Consulting Group; and Nolan Clay, The Oklahoman.

MEMBERS ABSENT: Brandy Manek
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INTRODUCTION OF JEFF RUSSELL, DISTRICT 4 TRUSTEE

Mr. Ryan Perkins introduced Jeff Russell, District 4 Trustee. Mr. Russell stated he had 15 years of service with the Norman Police Department, was currently on day patrol, married, and had three children.

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APPROVAL OF MINUTES OF REGULAR BOARD MEETING HELD JUNE 20, 2018.

Motion by Chris Cook and second by Tony Davenport to approve the minutes of the Regular Board Meeting held June 20, 2018. Ayes: Tony Davenport, Andy McPherson, Susan Knight, Ryan Perkins, Tim Foley, Dave Roberts, Thomas Cooper, Chris Cook, Robert Groseclose, Sandra LaVenue and Jeff Russell. Absent: Brandy Manek. 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>
Nicholas L. Replogle	Bartlesville
Daniel R. Bucklin	Broken Arrow
Brittany A. Elliott	Broken Arrow
Andre Fernandes	Broken Arrow
Brandon L. Gilbert	Broken Arrow
William R. Golden	Broken Arrow
Taylor T. Jordan	Broken Arrow
Jefferson K. Reynolds	Broken Arrow
Joshua T. Hewitt	Claremore
Josiah D. Moore	Claremore

Aaron L. Strohmeyer	Claremore
Michael C. O’Kelly	Clinton
William J. Straily	Comanche
Garvis S. Thomas	Cushing
Donald L. Wood	Del City
Sean L. McEllhenney	Elk City
Benjamin K. Ossman	Glenpool
Marshall H. Green	Grove
Remington D. White	Grove
Carla D. Medina	Idabel
Cody L. Donoley	McAlester
Jordy W. Woolsey	McAlester
Mary A. Martinez	Moore
Smokey L. Patchin	Okmulgee
Edward L. Wofford, V	Oologah
Christopher D. Wooten	Perry
Joshua A. Pankowsky	Shawnee
Jacob T. Niblett	Tecumseh
Montana R. Mann	Tonkawa
Ryan D. Bridges	Wagoner
Steven R. Minnick	Warner
Levi H. Bingham	Weatherford
Melissa L. McCartney	Weatherford
Daniel Nowlin	Wetumka

b. Application for Refund of Contributions:

<u>Name</u>	<u>City</u>
Paul A. Lloyd	Bixby
Chris Cloninger	Clinton
Marshall L. Cowan	Clinton
Brad J. Kastl	Cushing
Shannon E. Peel	Guthrie
Christopher Baroody	Hugo
Bellan N. Gornick	Lindsay
Anthony Carrier	Mangum
Christopher Flemming	Norman
Justin Crispin	Perry
Cameron Hurd	Ponca City
Justin G. Smithson	Sallisaw
Clinton J. Glass	Wewoka

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>
Quent Tubbs	Enid	08/12/2017	08/01/2018
William E. Jenkins	Lawton	10/01/2017	07/01/2018
Roy L. Williams	Norman	08/01/2014	07/01/2018

d. Application for Service Pension:

<u>Name</u>	<u>City</u>	<u>Eff. Date</u>
Keith A. Prince	Catoosa	08/01/2018
Kevin P. Huse	Norman	08/01/2018
Anthony L. Rogers	Ponca City	08/01/2018

e. Application for Vested Benefit:

<u>Name</u>	<u>City</u>	<u>Eff. Date</u>
Shannon Lyon	Anadarko	07/28/2032
Edward Cangiano	Bethany	09/27/2018
Mark Ridley, Jr.	Muskogee	03/09/2024.

f. Death Benefit:

<u>Name</u>	<u>City</u>
Martha E. Martin, widow of Chester L. Martin, Jr.	Muskogee
Patricia Gramling, widow of Lloyd Gramling	Oklahoma City
Celia A. Yarbrough, widow of Billy C. Yarbrough	Tulsa
Bertha J. Weston, Personal Rep. of Richard A. Neal	Oklahoma City

g. Continuation of Benefit:

<u>Name</u>	<u>City</u>
Martha E. Martin, widow of Chester L. Martin, Jr.	Muskogee
Patricia Gramling, widow of Lloyd Gramling	Oklahoma City
Celia A. Yarbrough, widow of Billy C. Yarbrough	Tulsa

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

<u>Name</u>	<u>City</u>
Richard S. Cowan, Personal Rep. of Dorothy L. Cowan	Henryetta

i. Termination of Benefit:

<u>Name</u>	<u>City</u>
Dorothy L. Cowan	Henryetta
Richard A. Neal	Oklahoma City

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

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ASSET CONSULTING GROUP – FINANCIAL CONSULTANT REPORT FOR MONTH 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. George Tarlas reviewed the ASAP report for the month ended June 30, 2018, a copy of which is attached as Exhibit “F”. As of June 30, 2018, the total Fund was approximately \$2,539,695,000.00. The one-year return next of fees for the total Fund is 8.34%.

Motion by Robert Groseclose and second by Susan Knight to approve the rate of return of 8.34%. Ayes: Tony Davenport, Andy McPherson, Susan Knight, Ryan Perkins, Tim Foley, Dave Roberts, Thomas Cooper, Chris Cook, Robert Groseclose, Sandra LaVenue and Jeff Russell. Absent: Brandy Manek. Motion Carried

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CONSIDERATION AND VOTE TO ESTABLISH TIME FRAME FOR A SPECIAL ELECTION TO FILL THE STATE BOARD DISTRICT 7 POSITION WHICH BECAME VACANT JUNE 20, 2018, DIFFERENT FROM THAT OF THE NORMAL NOMINATION/ELECTION PROCESS PURSUANT TO OAC:1-3-5. BOARD TO TAKE APPROPRIATE ACTION AS DEEMED NECESSARY.

Mr. Sean Ruark presented the proposed time frame to fill the District 7 vacancy, a copy of which is attached as Exhibit “G”.

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

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DISCUSSION AND POSSIBLE VOTE ON ISSUING RFP FOR LEGISLATIVE CONSULTANT SERVICE. BOARD TO TAKE APPROPRIATE ACTION AS DEEMED NECESSARY.

Mr. Sean Ruark presented a draft copy of the Legislative Consultant RFP, a copy of which is attached as Exhibit “H”.

The board advised they would like letters to only be sent to Registered Lobbyists within a 50 mile radius of the capital.

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

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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 was in the process of making policy changes or creating 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 devices removed from OPPRS, and personal/business usage on personal/business devices.

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STATUS REPORT FROM SELECTION COMMITTEE REGARDING SEARCH FOR PERMANENT EXECUTIVE DIRECTOR. PROPOSED EXECUTIVE SESSION, IF DEEMED NECESSARY BY LEGAL COUNSEL, TO DISCUSS THE HIRING OF AN EXECUTIVE DIRECTOR, PURSUANT TO 25 O.S. § 307(B)(1).

Motion by Andy McPherson and second by Dave Roberts to enter into Executive Session (at approx. 10:45am). Ayes: Tony Davenport, Andy McPherson, Susan Knight, Ryan Perkins, Tim Foley, Dave Roberts, Thomas Cooper, Chris Cook, Robert Groseclose, Sandra LaVenue and Jeff Russell. Absent: Brandy Manek. Motion Carried.

Motion by Andy McPherson and second by Chris Cook to enter back into Open Session (at approx. 11:12am). Ayes: Tony Davenport, Andy McPherson, Susan Knight, Ryan Perkins, Tim Foley, Dave Roberts, Thomas Cooper, Chris Cook, Robert Groseclose, Sandra LaVenue and Jeff Russell. Absent: Brandy Manek. Motion Carried.

Motion by Tim Foley and second by Robert Groseclose to offer the Executive Director position to Regina Stigler for \$130,818.00/yearly, with an effective date of September 1, 2018. Ayes: Tony Davenport, Andy McPherson, Susan Knight, Ryan Perkins, Tim Foley, Dave Roberts, Thomas Cooper, Chris Cook, Robert Groseclose, Sandra LaVenue and Jeff Russell.. Absent: Brandy Manek. 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. 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 INTERESTMR. SEAN RUARK ADVISED THAT OPPRS WAS NOT SELECTED AS LEAD PLAINTIFF IN THE SUPER MICRO COMPUTER, INC. CASE, OPPRS WAS THE ONLY MOTION FOR LEAD PLAINTIFF IN THE TRUECAR, INC. CASE, AND SETTLEMENT NOTICES HAD BEEN RECEIVED FOR THE GT ADVANCED TECHNOLOGIES CASE AND MAGNACHIP SEMICONDUCTOR CORP. CASES.

Mr. Sean Ruark advised that RCS Capital Corp. was no longer active. He also provided the board with a list of current Securities Litigation Firms used by OPPRS, as well as a list of current cases.

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NEW BUSINESS

No new business

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BOARD MEMBERS' REPORTS

Mr. Ryan Perkins advised that Sean had presented a Retirement Seminar in Tulsa and it was very well received.

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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 Andy McPherson and second by Robert Groseclose to approve the following list for conference attendance.

ACG Due Diligence – Tim Foley and Sandra LaVenue

NCPERS Public Safety Conference – Chris Cook

IFEBP Annual Conference and New Trustee Institute – Sandra Lavenue and Jeff Russell

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

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DIRECTOR'S REPORT

Mr. Ruark advised the board that their OPPRS email is being used for all communication from the staff. He stated Finley & Cook would begin the annual financial audit in August. He mentioned that the annual appraisal of Columbus Square was complete and the building appraised for \$4.30 million, which was about \$50,000 higher than last year. Mr. Ruark noted that the System was working on the implementation of the one-time stipend granted by HB1340. He also noted that the System's Actuary, Cavanaugh Macdonald, estimated that the funded status of the System would remain above 100% after the payment of the stipend, which would allow the System to cap the 2% stipend at the statutory maximum of \$1,400.00.

Mr. Ruark thanked the board for allowing him to serve as Interim Executive Director and considering him for the permanent position.

Mr. Ruark also advised that it was previously reported that Finley and Cook completed their audit of Columbus Square and they made the significant finding that the contractual requirement of obtaining bids from three (3) contractors for projects over \$10,000 was not being done at the direction of the former Executive Director. He noted that practice had actually been the practice since the former

Executive Director Bob Wallace was at OPPRS. Mr. Wallace had advised them to find a company that they worked well with and did good work and just use them.

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

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

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

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

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The meeting was adjourned at approximately 11:45am.

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.