

**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**

MARCH 13, 2019

The regular meeting of the Oklahoma Police Pension and Retirement Board was called to order by Chairman Chris Cook at approximately 10:00 a.m. on Wednesday, March 13, 2019, in the Board Room of the Oklahoma Police Pension and Retirement System.

MEMBERS PRESENT: Tim Foley, Dave Roberts, Thomas Cooper, Chris Cook, Robert Groseclose, Sandra LaVenue, Jeff Russell, Chris Chandler, Mike Brown and Greg Wood.

OTHERS: Ginger Sigler, Executive Director; Deric Berousek, Chief Financial Officer; Darcie Gordon, Administrative Officer; Lauren Holmes, Administrative Assistant; George Tarlas and Tom Janish, Asset Consulting Group; Marc Edwards, Legal Advisor; and Lee Davis, Office of Management and Enterprise Services.

MEMBERS ABSENT: Ryan Perkins and Jeff Cealka
Brandy Manek arrived at approximately 10:12am
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RECOGNITION OF ANDY MCPHERSON FOR HIS SERVICE TO THE STATE OF OKLAHOMA AS A MEMBER OF THE OKLAHOMA POLICE PENSION AND RETIREMENT BOARD OF TRUSTEES. BOARD TO TAKE APPROPRIATE ACTION AS DEEMED NECESSARY.

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INTRODUCTION OF GREG WOODS, GOVERNOR’S APPOINTEE

Mr. Chris Cook introduced Greg Wood, Governor’s Appointee. Mr. Wood stated he was from Tulsa and met the Governor through some banking relationships. He mentioned he was married with three grown children and was entering the empty nester phase of life. Mr. Wood stated he was glad to be here and looking forward to pitching in any way he could.

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APPROVAL OF MINUTES OF REGULAR BOARD MEETING HELD FEBRUARY 20, 2019.

Motion by Rob Groseclose and second by Mike Brown to approve the minutes of the Regular Board Meeting held February 20, 2019. Ayes: Tim Foley, Dave Roberts, Thomas Cooper, Chris Cook, Robert Groseclose, Sandra LaVenue, Jeff Russell, Chris Chandler, Mike Brown, and Greg Wood. Absent: Brandy Manek, Ryan Perkins, and Jeff Cealka. 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>
Preston L. Davis	Choctaw
Christopher R. Seeds	Choctaw
Blaine L. Lander	Choctaw
Kevin M. Parker	Del City
William J. Campbell	Drumright
Bryan K. Farrington	Jones
Daniel Holliman	Lindsay
Shawn A. Savory	Lindsay
Kenneth R. Pitts	Moore
Seth D. Roecker	Mustang
Matthew T. Goodrich	Poteau
Robert E. Johnston	Poteau
Derek L. Price, II	Shawnee
Byron T. Goree	Stillwater
Brayley P. Running	Stillwater
Brian L. Dawson	Union City
Jacob O. Streeter	Yukon

b. Application for Refund of Contributions:

<u>Name</u>	<u>City</u>
Richard J. Jacobs	Enid
Kevin Kirk	Frederick
Michael Copeland	Hominy
Randal Hall	Idabel
Joseph P. Norris	Lawton
Brian D. Guthrie	Lindsay
Mike Wooten	Marlow
Petr Zimin	Oklahoma City
Collin Cooper	Pauls Valley
Tara Winter	Poteau
Dawn Bodi	Tulsa
Jimmy Williams	Vinita

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>
Calvin R. Peeples	Harrah	07/01/2015	04/01/2019
Larry Cochran	Lawton	06/01/2018	03/01/2019
Larry Schones	Midwest City	11/01/2016	04/01/2019
Ernest B. Bonham	Tulsa	09/01/2010	02/01/2012
Gary Knight	Yukon	04/01/2014	04/01/2019

d. Application for Vested Benefit:

<u>Name</u>	<u>City</u>	<u>Eff. Date</u>
Gregory J. Liebl	Enid	04/11/2029

e. Death Benefit:

<u>Name</u>	<u>City</u>
Anne Cox, widow of Hershel Cox	Muskogee
Barbara Davola, widow of Peter Davola	Yukon

f. Continuation of Benefit:

<u>Name</u>	<u>City</u>
Anne Cox, widow of Hershel Cox	Muskogee
Barbara Davola, widow of Peter Davola	Yukon

Motion by Dave Roberts and second by Thomas Cooper for approval of applications for Police Deferred Option Plan, Participation, Service Pension, Refunds, and Benefits. Ayes: Tim Foley, Dave Roberts, Thomas Cooper, Chris Cook, Robert Groseclose, Sandra LaVenue, Jeff Russell, Chris Chandler, Mike Brown, and Greg Wood. Absent: Brandy Manek, Ryan Perkins, and Jeff Cealka. 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 February 2019 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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CONSIDERATION AND VOTE ON WHETHER TO RENEW OR TERMINATE CONTRACTS FOR THE FOLLOWING PROFESSIONAL SERVICES:

- a. BNY Mellon Trust – Custodial Services
- b. Asset Consulting Group, Inc. – Investment Consulting Services
- c. Cavanaugh Macdonald Consulting – Actuarial Services
- d. Finley & Cook, PLLC – Auditing Services
- e. Davis Graham & Stubbs LLP – Legal Services (Tax/Litigation)
- f. Phillips Murrah, PC – Legal Services (General Counsel)
- g. Wiggins Properties – Property Management Services
- h. Oklahoma Attorney General – Legal Services
- i. Majority Plus, LLC – Legislative Consultant

Motion by Chris Chandler and second by Dave Roberts to renew the professional service contracts listed, with the exception of h & i. Ayes: Tim Foley, Dave Roberts, Thomas Cooper, Chris Cook, Robert Groseclose, Sandra LaVenue, Jeff Russell, Chris Chandler, Mike Brown, and Greg Wood. Absent: Brandy Manek, Ryan Perkins, and Jeff Cealka. Motion Carried.

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CONSIDERATION AND VOTE ON WHETHER TO RENEW OR TERMINATE CONTRACTS FOR THE FOLLOWING INVESTMENT MANAGERS:

International Equity:

- AllianceBernstein Trust Company, LLC
- Baring Investment Series, LLC
- Mondrian Investment Partners
- Wasatch Advisors

Domestic Equity:

Boston Partners Asset Management LP
Cortina Capital

Long/Short Equity:

Grosvenor Long/Short Equity Fund, Ltd
Grosvenor Class-B

Index Fund:

Northern Trust Asset Management

Core Bonds:

Agincourt Capital Management LLP

Multi-Sector Fixed Income:

Loomis Sayles
Oaktree Capital Management LLC

Absolute Return:

Pacific Alternative asset Management Company (PAAMCO)
Wellington Trust Company, NA

Real Assets:

Blackstone Property Partners
Gresham Investments (TAP Fund)
J.P. Morgan Asset Management
MLM Macro – Peak Partners LP

Motion by Dave Roberts and second by Chris Chandler to renew the investment managers' contracts listed. Ayes: Tim Foley, Dave Roberts, Thomas Cooper, Chris Cook, Robert Groseclose, Sandra LaVenué, Jeff Russell, Chris Chandler, Mike Brown, and Greg Wood. Absent: Brandy Manek, Ryan Perkins, and Jeff Cealka. Motion Carried.

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INVESTMENT MANAGERS CONFERENCE

GROSVENOR CAPITAL MANAGEMENT, L.P.

Mr. Tom Maegher and Mr. Jeremy Joseph presented on behalf of Grosvenor Capital Management, a copy of the presentation is attached as Exhibit "F".

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ASSET CONSULTING GROUP – FINANCIAL CONSULTANT REPORT FOR MONTH ENDED FEBRUARY 28, 2019 AND DISCUSSION ON REBALANCING PORTFOLIO ASSETS AMONG VARIOUS ASSET STRATEGIES AND MANAGERS. BOARD TO TAKE APPROPRIATE ACTION AS DEEMED NECESSARY.

Mr. George Tarlas and Mr. Tom Janish reviewed the ASAP report for the month ended February 28, 2019, a copy of which is attached as Exhibit "G". As of February 28, 2019, the total fund was approximately \$2,536,711,000.00. The one-year return net of fees for the total fund is 2.12%.

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ASSET CONSULTING GROUP – DISCUSSION AND POSSIBLE VOTE ON ASSET ALLOCATION. BOARD TO TAKE APPROPRIATE ACTION AS DEEMED NECESSARY.

Mr. George Tarlas and Mr. Tom Janish referred back to Exhibit "F", page 18. They stated it was the recommendation of Asset Consulting Group to conduct the first five (5) transactions on page 18 of Exhibit "H".

GLSEF Direct Portfolio (Class B) Action Plan

Transactions Pending OPPRS' Approval

Underlying fund	Funding source	Effective date	Estimated amount (\$1,000s) ²
Suvretta Offshore Fund, Ltd.	Direct Class B Additional Investment	April 1, 2019	\$3,600
AKO Fund, Ltd.	Direct Class B New Investment	April 1, 2019	\$3,500
Starboard Value and Opportunity Fund Ltd.	Transfer from Starboard Leaders Offshore Fund LP	Ongoing Basis	\$11,088
Redmile Capital Offshore Fund, Ltd.	Direct Class B Redemption	July 1, 2019	(\$4,000)
Triam Partners, Ltd.	Direct Class B Redemption	July 1, 2019	(\$4,000)

Motion by Chris Chandler and second by Dave Roberts to proceed with the five (5) transactions related to the management of the Grosvenor B Portfolio. Ayes: Brandy Manek, Tim Foley, Dave Roberts, Thomas Cooper, Chris Cook, Robert Groseclose, Sandra LaVenue, Jeff Russell, Chris Chandler, Mike Brown, and Greg Wood. Absent: Ryan Perkins and Jeff Cealka. Motion Carried.

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DISCUSSION AND POSSIBLE VOTE ON CONTRACT WITH PHILLIPS MURRAH, P.C. FOR LEGAL SERVICES. BOARD TO TAKE APPROPRIATE ACTION AS DEEMED NECESSARY.

Mr. Marc Edwards advised the board that after discussion with the Attorney General's office, he was advised that there were changes to the original contract that needed to be made and the board needed to approve the amended and restated Professional Services Contract. Mr. Edwards noted that the only change was to the party contracting with Phillips Murrah, P.C, which would be the system and not the board. He also mentioned this contract was only through June 30, 2019.

Motion by Mike Brown and second by Sandra LaVenue approve the contract between the System and Phillips Murrah, P.C. Ayes: Brandy Manek, Tim Foley, Dave Roberts, Thomas Cooper, Chris Cook, Robert Groseclose, Sandra LaVenue, Jeff Russell, Chris Chandler, Mike Brown, and Greg Wood. Absent: Ryan Perkins and Jeff Cealka. Motion Carried.

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FINLEY & COOK, PLLC – CERTIFICATION OF ELECTION RESULTS FOR STATE BOARD DISTRICTS 2 AND 5. BOARD TO TAKE APPROPRIATE ACTION AS DEEMED NECESSARY.

Ms. Ginger Sigler presented the election results for Districts 2 and 5, a copy of which is attached as Exhibit "I". Robert Groseclose was the only member of District 2 and Ryan Woods was the only member of District 5 to submit nomination petitions. Therefore, they automatically become the Board member to represent their respective districts for a three-year term beginning July 1, 2019.

Motion by Rob Groseclose and second by Jeff Russell to certify the election results for Districts 2 and 5. Ayes: Brandy Manek, Tim Foley, Dave Roberts, Thomas Cooper, Chris Cook, Robert Groseclose, Sandra LaVenue, Jeff Russell, Chris Chandler, Mike Brown, and Greg Wood. Absent: Ryan Perkins and Jeff Cealka. Motion Carried.

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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. BOARD TO TAKE APPROPRIATE ACTION AS DEEMED NECESSARY.

Ms. Ginger Sigler presented the board with a list of bills OPPRS is currently watching, a copy of which is attached as Exhibit “J”.

Ms. Sigler mentioned that last month it was discussed and voted on to add some language to our IRS Technical Correction Bill that would allow us access to CLEET records to make sure cities were actually paying on the right officers. She contacted Rep. Ross Ford, who is a retired police officer, and ask that he insert the language if the bill makes it to the House. It is SB1009, but it has not been put on the Senate agenda to be heard and everything has to be passed out of the Senate (house of origin) tomorrow March 14, 2019. Ms. Sigler stated she was headed to the capitol as soon the board meeting was over. Ms. Sigler advised HB 2304, originally written by Rep. Avery Frix to give an 8% COLA was then amended down to a 2% COLA and passed in the house. A floor amendment to raise it to a 4% COLA went through the house and was passed Tuesday afternoon. HB 2304, the COLA bill, has been passed onto the Senate, but the hard part is that we cannot get the Senate Retirement Committee to hear the bill. Ms. Sigler advised that she had reached out to the Governor’s Office as well as the Deputy Secretary of State, Donelle Harder, concerning a COLA and had not received a return call. She noted that OPPRS had originally filed a COLA Bill that would allow OPPRS to grant a COLA as long as they remained over 90% funded. Ms. Sigler stated that she was going to work with Rep. Ross Form to write similar legislation next session.

Ms. Sigler also advised the bill putting the Native American Tribal Officers in our system had been pulled. She mentioned they were adding the Native American Tribal Firefighters to the Firefighters pension, so she expects that we will see this again next year.

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PROPOSED EXECUTIVE SESSION, IF DEEMED NECESSARY BY LEGAL COUNSEL TO DISCUSS POSSIBLE SECURITIES LITIGATION CLAIMS AGAINST TELIGENT, INC. AS RECOMMENDED BY SCOTT & SCOTT LAW FIRM 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 Robert Groseclose and second by Thomas Cooper to enter into Executive Session (at approx 11:08 a.m.). Ayes: Brandy Manek, Tim Foley, Dave Roberts, Thomas Cooper, Chris Cook, Robert Groseclose, Sandra LaVenue, Jeff Russell, Chris Chandler, Mike Brown, and Greg Wood. Absent: Ryan Perkins and Jeff Cealka. Motion Carried.

Motion by Robert Groseclose and second by Dave Roberts to enter back into Open Session (at approx 11:15 a.m.) Ayes: Brandy Manek, Tim Foley, Dave Roberts, Thomas Cooper, Chris Cook, Robert Groseclose, Sandra LaVenue, Jeff Russell, Chris Chandler, Mike Brown, and Greg Wood. Absent: Ryan Perkins and Jeff Cealka. Motion Carried.

Motion by Dave Roberts and second by Greg Wood to engage in litigation against Teligent, Inc. with Scott & Scott. Ayes: Brandy Manek, Tim Foley, Dave Roberts, Thomas Cooper, Chris Cook, Robert Groseclose, Sandra LaVenue, Jeff Russell, Chris Chandler, Mike Brown, and Greg Wood. Absent: Ryan Perkins and Jeff Cealka. Motion Carried.

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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.

Motion by Dave Roberts and seconded by Mike Brown to approve the following list for conference attendance.

IFEBP CAPPP I & II – June 18-21, 2019 – Chris Cook

IFEBP Annual Conference – Oct 20 – 23, 2019 – Chris Cook

Ayes: Brandy Manek, Tim Foley, Dave Roberts, Thomas Cooper, Chris Cook, Robert Groseclose, Sandra LaVenue, Jeff Russell, Chris Chandler, Mike Brown, and Greg Wood. Absent: Ryan Perkins and Jeff Cealka. Motion Carried.

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DIRECTOR'S REPORT

Ms. Sigler stated she felt the conferences were great and a good networking opportunity. She mentioned that Gov. Stitt signed an Executive Order regarding the use of a lobbyist by the agencies. Ms. Sigler stated that she had sent the required report to the Governor about our lobbyist. Ms. Sigler advised she would be going to San Francisco, CA to give a deposition on April 4th, 2019 for the TruCar Inc. case. Ms. Sigler noted that Mayor Mike had graciously agreed to host a Meet & Greet in Weatherford. It is set for March 29, 2019.

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The meeting was adjourned at approximately 11:22 a.m.

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.