

**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**

MAY 15, 2019

The regular meeting of the Oklahoma Police Pension and Retirement Board was called to order by Vice Chairman Dave Roberts at approximately 10:00 a.m. on Wednesday, May 15, 2019, in the Board Room of the Oklahoma Police Pension and Retirement System.

MEMBERS PRESENT: Ryan Perkins, Dave Roberts, Robert Groseclose, Sandra LaVenue, Jeff Russell, Chris Chandler, Jeff Cealka, and Mike Brown.

OTHERS: Ginger Sigler, Executive Director; Sean Ruark, Deputy Director; Ann Burrows, Comptroller; Darcie Gordon, Administrative Officer; Lauren Holmes, Administrative Assistant; Jason Pulos, Asset Consulting Group; Marc Edwards, Legal Advisor; and Thomas Schneider, Assistant Attorney General.

MEMBERS ABSENT: Thomas Cooper, Chris Cook, and Greg Wood
Brandy Manek and Tim Foley arrived at 10:02 a.m.

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APPROVAL OF MINUTES OF REGULAR BOARD MEETING HELD APRIL 17, 2019.

Motion by Ryan Perkins and second by Chris Chandler to approve the minutes of the Regular Board Meeting held April 17, 2019. Ayes: Ryan Perkins, Dave Roberts, Robert Groseclose, Sandra LaVenue, Jeff Russell, Chris Chandler, Jeff Cealka, and Mike Brown. Absent: Brandy Manek, Tim Foley, Thomas Cooper, Chris Cook, and Greg Wood. 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>
Dalon R. Lehenbauer	Ada
Phillip K. Vogt	Ada
Morgan N. Elkins	Altus
Ian S. Evans	Bartlesville
Noble G. Lybrand	Bethany
Gregory B. Berry, II	Chandler
Andrew S. Kammerlocker	Chickasha
Cory A. Faulk	Comanche
Christopher L. Chase	Commerce
Lauren E. Patchell	Davis
Lorie C. Towsley	Guymon
Matthew A. Wagner	Lindsay
Brian J. Ditmore	Mangum
Alena J. Ashalintubbi	McAlester
Amber M. McKee	Miami

Mitchell B. Gulliver	Midwest City
Travis D. Fleming	Muskogee
Taylor N. Pevehouse	Muskogee
Jordy W. Woolsey	Muskogee
Kailee S. Thomas	Pauls Valley
Nicholas D. Silva	Pawhuska
Dylan T. Wright	Pryor
William K. Younger	Seminole
Misty R. Johnson	Stigler
Brooks A. Berens	Tulsa
Blayne A. Bettinger	Tulsa
Justin C. Burns	Tulsa
Hunter L. Colburn	Tulsa
Mariano D. Dillard	Tulsa
Joshua T. Eclavea	Tulsa
Christopher B. Emhoolah	Tulsa
Garrett J. Ford	Tulsa
David B. Gohring	Tulsa
Christopher D. Grimes	Tulsa
Conor D. Lyons	Tulsa
Isaac Marquez	Tulsa
Alejandro K. McGowan	Tulsa
Jesus D. Medrano	Tulsa
Triston T. Morris	Tulsa
Jose A. Sanchez	Tulsa
Keoshia M. Savage	Tulsa
Robert P. Shaw	Tulsa
Heather R. Snow	Tulsa
Waylon C. Summers	Tulsa
Cody W. Trimmell	Tulsa
Kevin M. Tsaras	Tulsa
Chris J. Wade	Tulsa
Jaleel H. Wheeler	Tulsa
Michael J. Witham	Tulsa
Justin J. Wolzen	Tulsa
Dwight C. Woodrell, III	Tulsa
Aurash Zarkeshan	Tulsa
Thomas M. Cooper	Tuttle

b. Application for Refund of Contributions:

<u>Name</u>	<u>City</u>
Kenton J. Westermier	Chandler
Thomas D. Grimsley, III	Collinsville
Ryan Blankenship	Commerce
Paul Mader, II	Coweta
Edward V. Diaz, III	Duncan
Randy Jaurequi	Guymon
Chris Hofen	Jones
Christopher Skinner	McAlester
Jacob Fierro	Muskogee
Nicole Raynor	Noble
Mason D. Bollinger	Oklahoma City
Adam Moore	Oklahoma City
Rex Wikel	Pawhuska

George Hannon	Perkins
Erick E. Gil	Perry
Boglarka T. Swan	Tulsa
Heath Winfrey	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>
Billy L. Eades	Ardmore	06/01/2014	06/01/2019
Brandon C. Berryhill	Broken Arrow	06/01/2014	06/01/2019
Lawrence D. Andrews	Enid	07/01/2015	06/01/2019
James Johnson	Lawton	05/01/2014	05/01/2019
Matthew A. Mercer	Midwest City	05/01/2014	05/01/2019
Ronnie D. Hurd	Oklahoma City	06/01/2014	06/01/2019
Kenneth W. Peters	Oklahoma City	06/01/2014	06/01/2019
Chris Suriano	Oklahoma City	06/01/2014	06/01/2019
Michael Taylor	Oklahoma City	06/01/2014	06/01/2019
Billy E. Walls	Oklahoma City	06/01/2014	06/01/2019
Donnie R. Lockwood	Stigler	07/01/2014	07/01/2019
Eric A. Albright	Tulsa	05/01/2014	05/01/2019
David C. Davis	Tulsa	06/01/2014	06/01/2019
Patrick M. Dunlap	Tulsa	06/01/2014	06/01/2019
Steven P. Ham	Tulsa	06/01/2014	06/01/2019
Joel Spitler	Tulsa	06/01/2014	06/01/2019
Harry G. Stege	Tulsa	07/01/2014	07/01/2019

d. Application for Service Pension:

<u>Name</u>	<u>City</u>	<u>Eff. Date</u>
George R. Stratton, III	Oklahoma City	06/01/2019

e. Application for Vested Benefit:

<u>Name</u>	<u>City</u>	<u>Eff. Date</u>
Jeffrey D. Prack	Vinita	04/26/2026

f. Death Benefit:

<u>Name</u>	<u>City</u>
Kathy J. Whala, widow of Joe A. Whala	Idabel
Joyce Brown, widow of Stan Brown	Midwest City
Danna D. Metzler, widow of Tommy J. Metzger	Oklahoma City
Wanda M. Lewallen, widow of Tommy Lewallen	Tulsa
Kelly Baker, Personal Rep. of Lannie D. Michell	Oklahoma City

g. Continuation of Benefit:

<u>Name</u>	<u>City</u>
Kathy J. Whala, widow of Joe A. Whala	Idabel
Joyce Brown, widow of Stan Brown	Midwest City

Danna D. Metzler, widow of Tommy J. Metzger	Oklahoma City
Wanda M. Lewallen, widow of Tommy Lewallen	Tulsa

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

<u>Name</u>	<u>City</u>
Dana Wilkerson, Personal Rep. of Carol Kutz	Oklahoma City
Kelly Baker, Personal Rep. of Lannie D. Michell	Oklahoma City

i. Termination of Benefit:

<u>Name</u>	<u>City</u>
Carol Kutz	Oklahoma City
Lannie D. Michell	Oklahoma City

Motion by Ryan Perkins and second by Chris Chandler for approval of applications for Police Deferred Option Plan, Participation, Service Pension, Refunds, and Benefits. Ayes: Ryan Perkins, Dave Roberts, Robert Groseclose, Sandra LaVenue, Jeff Russell, Chris Chandler, Jeff Cealka, and Mike Brown. Absent: Brandy Manek, Tim Foley, Thomas Cooper, Chris Cook, and Greg Wood. 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 April 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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ASSET CONSULTING GROUP – FINANCIAL CONSULTANT REPORT FOR MONTH ENDED APRIL 30, 2019, QUARTERLY REPORT FOR QUARTER ENDED MARCH 31, 2019, 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 April 30, 2019, a copy of which is attached as Exhibit "F". As of April 30, 2019, the total fund was approximately \$2,597,116,000.00. The one-year return net of fees for the total fund is 4.54%.

Mr. Jason Pulos reviewed the Quarterly Report for quarter ended March 31, 2019, a copy of which is attached as Exhibit "G".

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

Mr. Jason Pulos reviewed the Asset Allocation Discussion, May 15, 2019, a copy of which is attached as Exhibit "H". He discussed the current asset allocation as well as five different options for the board to review and possibly adopt.

Motion by Chris Chandler and second by Jeff Cealka to adopt Mix 5 and modify the Investment Policy to reflect the change. Ayes: Brandy Manek, Ryan Perkins, Tim Foley, Dave Roberts, Robert Groseclose, Sandra LaVenue, Jeff Russell, Chris Chandler, Jeff Cealka, and Mike Brown. Absent: Thomas Cooper, Chris Cook, and Greg Wood. Motion Carried.

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ASSET CONSULTING GROUP – PRIVATE CREDIT REVIEW AND RECOMMENDATION ON NEW COMMITMENTS. BOARD TO TAKE APPROPRIATE ACTION AS DEEMED NECESSARY.

Mr. Jason Pulos reviewed the Private Credit Review and Recommendation, May 15, 2019, a copy of which is attached as Exhibit "I". Mr. Pulos stated it was the recommendation of Asset Consulting Group to commit up to \$20,000,000.00 to Apollo Accord Fund III. He also mentioned that a side letter could be prepared to accompany the Subscription Agreement if any additional funds were called between now and June in Apollo Accord Fund II.

Motion by Chris Chandler and second by Ryan Perkins to commit up to \$20,000,000.00 to Apollo Accord Fund III. Ayes: Brandy Manek, Ryan Perkins, Tim Foley, Dave Roberts, Robert Groseclose, Sandra LaVenue, Jeff Russell, Chris Chandler, Jeff Cealka, and Mike Brown. Absent: Thomas Cooper, Chris Cook, and Greg Wood. Motion Carried.

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DISCUSSION AND POSSIBLE VOTE ON CHANGING JUNE 2019 BOARD MEETING DATE. BOARD TO TAKE APPROPRIATE ACTION AS DEEMED NECESSARY.

Mr. Dave Roberts advised that six board members would be out of town, attending CAPPP I/II, on the day of the June board meeting.

Motion by Robert Groseclose and second by Sandra LaVenue to move the June board meeting to June 12, 2019. Ayes: Brandy Manek, Ryan Perkins, Tim Foley, Dave Roberts, Robert Groseclose, Sandra LaVenue, Jeff Russell, Chris Chandler, Jeff Cealka, and Mike Brown. Absent: Thomas Cooper, Chris Cook, and Greg Wood. Motion Carried.

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DISCUSSION AND POSSIBLE VOTE ON SECURITIES LENDING PROGRAM. BOARD TO TAKE APPROPRIATE ACTION AS DEEMED NECESSARY.

Ms. Ginger Sigler advised the board she would like to reinstate the Securities Lending Program. She mentioned that OPPRS had a Securities Lending Program years ago, when a loss was recognized because of the 2008 market crash.

The board advised they would like some time to research the issue. It will be placed on the June agenda for further discussion.

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FINLEY & COOK, PLLC – CERTIFICATION OF ELECTION RESULTS FOR STATE BOARD DISTRICT 7. BOARD TO TAKE APPROPRIATE ACTION AS DEEMED NECESSARY.

Motion by Brandy Manek and second by Ryan Perkins to approve the Certification of Election Results for State Board District 7. Ayes: Brandy Manek, Ryan Perkins, Tim Foley, Dave Roberts, Robert Groseclose,

Sandra LaVenue, Jeff Russell, Chris Chandler, Jeff Cealka, and Mike Brown. Absent: Thomas Cooper, Chris Cook, and Greg Wood. Motion Carried.

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REVIEW BUDGET WORK PROGRAM FOR FISCAL YEAR 2020 BEGINNING JULY 1, 2019 AND ENDING JUNE 30, 2020. BOARD TO TAKE APPROPRIATE ACTION AS DEEMED NECESSARY.

Ms. Ginger Sigler reviewed the Budget Work Program for Fiscal Year beginning July 1, 2019 and ending June 30, 2020, a copy of which is attached as Exhibit "J".

Motion by Mike Brown and second by Jeff Russell to approve the Budget Work Program for Fiscal Year beginning July 1, 2019 and ending July 30, 2020. Ayes: Brandy Manek, Ryan Perkins, Tim Foley, Dave Roberts, Robert Groseclose, Sandra LaVenue, Jeff Russell, Chris Chandler, Jeff Cealka, and Mike Brown. Absent: Thomas Cooper, Chris Cook, and Greg Wood. Motion Carried.

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PROPOSED EXECUTIVE SESSION, IF DEEMED NECESSARY BY LEGAL COUNSEL TO DISCUSS POSSIBLE SECURITIES LITIGATION CLAIMS RELATING TO NATIONAL GENERAL HOLDINGS CORP. AS RECOMMENDED BY ROBBINS GELLER RUDMAN & DOWD LLP 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 Ryan Perkins and second by Robert Groseclose to enter into Executive Session (at approx. 11:15 a.m.). Ayes: Brandy Manek, Ryan Perkins, Tim Foley, Dave Roberts, Robert Groseclose, Sandra LaVenue, Jeff Russell, Chris Chandler, Jeff Cealka, and Mike Brown. Absent: Thomas Cooper, Chris Cook, and Greg Wood. Motion Carried.

Motion by Ryan Perkins and second by Chris Chandler to enter back into Open Session (at approx. 11:23 a.m.). Ayes: Brandy Manek, Ryan Perkins, Tim Foley, Dave Roberts, Robert Groseclose, Sandra LaVenue, Jeff Russell, Chris Chandler, Jeff Cealka, and Mike Brown. Absent: Thomas Cooper, Chris Cook, and Greg Wood. 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 Ryan Perkins and seconded by Mike Brown to approve the following list for conference attendance.

IFEPP CAPPP II – June 20 -21, 2019 – Rob Groseclose

IFEBP Annual Conference & CAPPP II – Oct 19-23, 2019 – Dave Roberts

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

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DIRECTOR’S REPORT

Ms. Sigler stated the Senate had changed the COLA bill to a 2% COLA and sent it to the actuary. She also mentioned that the House has brought a dead bill back and put a 4% COLA in it, with an effective date of 1/1/2020 and it had been sent to the actuary. Ms. Sigler advised that OPPRS had just learned that federal withholdings, for retirees, cannot be a flat amount. She stated all the retirees affected had been notified and the staff was doing a great job of answering phones and helping all of those retirees with questions. Ms. Sigler noted that the Court of Civil Appeals had rendered a verdict on the Harrison case. Mr. Thomas Schneider stated two judges affirmed the order of the board and one judge dissented. Mr. Schneider stated that Mr. Harrison has twenty days, from May 10, to file a Petition for Rehearing or a Petition for Certiorari to the Oklahoma Supreme court.

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The meeting was adjourned at approximately 11:28 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.