

**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

NOVEMBER 15, 2017

The regular meeting of the Oklahoma Police Pension and Retirement Board was called to order by Chairman W.B. Smith at approximately 10:01 a.m. on Wednesday, November 15, 2017, in the Board Room of the Oklahoma Police Pension and Retirement System.

MEMBERS PRESENT: W.B. Smith, Frank Stone, Jim Keesee, Susan Knight, Brandy Manek, Ryan Perkins, Tim Foley, Thomas Cooper, and Robert Groseclose.

OTHERS: Steven K. Snyder, Executive Director; Darcie Gordon, Administrative Officer; Deric Berousek, Chief Financial Officer; Sean Ruark, Pension Administration Officer; Lauren Holmes, Administrative Assistant; Kim Heaton, Assistant Attorney General; and Jason Pulos, Asset Consulting Group.

MEMBERS ABSENT: Tony Davenport, Andy McPherson, Dave Roberts, and Chris Cook
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APPROVAL OF MINUTES OF REGULAR BOARD MEETING HELD OCTOBER 18, 2017

Motion by Jim Keesee and second by Ryan Perkins to approve the minutes of the Regular Board Meeting held October 18, 2017. Ayes: W.B. Smith, Frank Stone, Jim Keesee, Susan Knight, Brandy Manek, Ryan Perkins, Tim Foley, Thomas Cooper, and Robert Groseclose. Absent: Tony Davenport, Andy McPherson, Dave Roberts, and Chris Cook. 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> |
|-------------------------|--------------|
| James J. Guy | Ardmore |
| Clinton L. Smee | Bristow |
| Leon E. Rademacher, III | Broken Arrow |
| Casey K. Torix | Checotah |
| Zachary Hill | Choctaw |
| Marshall L. Cowan | Clinton |
| William M. Pierce | Clinton |
| Dalton C. Wilkinson | Coweta |
| Trevor D. Bowers | Guymon |
| Jeffrey D. Webster | Henryetta |
| Tony R. Dorman, Jr. | Hobart |
| Richard L. Jones | Hobart |
| Jeremy R. Pittman | Lexington |
| Sabrina P. Barger | Nowata |

Ashley R. Kane	Piedmont
Colby T. Scott	Seminole
Tyler J. Bates	Skiatook
Michael W. Busenius	Stillwater
Jimmy L. Knox	Stillwater
Nicholas H. McDonough	Stillwater
Matthew W. Frits	Tahlequah
Trevor N. Dean	Tishomingo
Michael T. Gray	Warner

b. Application for Refund of Contributions:

<u>Name</u>	<u>City</u>
Anthony R. Shouse	Cleveland
Michael Sack	Clinton
Aaron Schantz	Clinton
Justin M. Konwinski	Guymon
Osmar R. Molina	Lawton
Jon Siltman	Lawton
James Woods	Spencer
Isaiah M. Farris	Sulphur
Aaron R. Graves	Sulphur
Kody W. Simpson	Tishomingo
David Wages	Tulsa
David M. Harper-Head	Valley Brook

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>
James E. Meyer, Jr.	Bartlesville	11/01/2012	11/01/2017
Terry L. Quisenberry, Jr	Lawton	11/01/2012	11/01/2017
Richard D. Parsley	Owasso	01/01/2016	01/01/2018
Donald M. Bohon	Ponca City	12/01/2014	12/01/2017
Lloyd D. Nichols	Stillwater	11/01/2015	11/01/2017
Christy A. Allen Green	Tulsa	11/01/2012	11/01/2017
Mark Spraggs	Tulsa	11/01/2013	11/01/2017
Jeri A. Tucker	Tulsa	12/01/2012	12/01/2017
James T. Wilcoxon	Tulsa	12/01/2012	12/01/2017

d. Application for Service Pension:

<u>Name</u>	<u>City</u>	<u>Eff. Date</u>
Blake P. Green	Norman	11/01/2017
Matthew S. Martin	Oklahoma City	02/01/2018

e. Application for Vested Benefit:

<u>Name</u>	<u>City</u>	<u>Eff. Date</u>
Jeffrey D. Lane	Choctaw	07/31/2017
Jeremy J. Hillsberry	Sand Springs	11/21/2029
Todd W. Lawrence	Sapulpa	10/04/2025

Shirley A. Vogt	Skiatook	04/09/2012
Paul E. Priegel	Stillwater	10/24/2030

f. Death Benefit:

<u>Name</u>	<u>City</u>
Patsy Y. Low, widow of Joe P. Low	Bristow
Peggy Woods, widow of Ronald P. Woods	El Reno
Sharon K. Ferguson, widow of James D. Ferguson	Midwest City
Regena L. Morton, widow of Charles E. Morton, Jr.	Shawnee
Alta E. Reid-Langley, widow of Vernon W. Langley	Stillwater
Winifred R. Allen, widow of Stanley K. Allen	Tulsa
Jean Kelley, widow of Ronald E. Kelley	Tulsa
Carolyn Kelso, widow of James Kelso	Tulsa

g. Continuation of Benefit:

<u>Name</u>	<u>City</u>
Patsy Y. Low, widow of Joe P. Low	Bristow
Peggy Woods, widow of Ronald P. Woods	El Reno
Sharon K. Ferguson, widow of James D. Ferguson	Midwest City
Regena L. Morton, widow of Charles E. Morton, Jr.	Shawnee
Alta E. Reid-Langley, widow of Vernon W. Langley	Stillwater
Winifred R. Allen, widow of Stanley K. Allen	Tulsa
Jean Kelley, widow of Ronald E. Kelley	Tulsa
Carolyn Kelso, widow of James Kelso	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: W.B. Smith, Frank Stone, Jim Keesee, Susan Knight, Brandy Manek, Ryan Perkins, Tim Foley, Thomas Cooper, and Robert Groseclose. Absent: Tony Davenport, Andy McPherson, Dave Roberts, and Chris Cook. 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 October 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 OCTOBER 31, 2017, QUARTERLY REPORT FOR QUARTER ENDED SEPTEMBER 30, 2017, 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 October 31, 2017, a copy of which is attached as Exhibit “E”. As of October 31, 2017, the total Fund was approximately \$2,472,774,000.00. The one-year return net of fees for the total Fund is 13.45%.

Mr. Jason Pulos reviewed the Quarterly Report for quarter ended September 30, 2017, a copy of which is attached as Exhibit “F”.

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CONSIDERATION CONCERNING SETTING THE BOARD MEETING DATES FOR CALENDAR YEAR 2018. BOARD TO TAKE APPROPRIATE ACTION AS DEEMED NECESSARY.

Mr. Steven Snyder presented to the board the proposed board meeting dates for 2018, a copy of which is attached as Exhibit “G”.

Motion by Ryan Perkins and second by Tim Foley to approve the 2018 board meeting dates. Ayes: W.B. Smith, Frank Stone, Jim Keesee, Susan Knight, Brandy Manek, Ryan Perkins, Tim Foley, Thomas Cooper, and Robert Groseclose. Absent: Tony Davenport, Andy McPherson, Dave Roberts, and Chris Cook. Motion Carried.

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DISCUSSION AND POSSIBLE VOTE WHETHER TO ISSUE LETTER RELATED TO UNRELATED BUSINESS INCOME TAX. BOARD TO TAKE APPROPRIATE ACTION AS DEEMED NECESSARY.

Mr. Steven Snyder advised the board that if President Trump’s tax bill passed with its current language in tact, it would make some assets of the pension system taxable. He presented the board with a draft of a letter from Hank Kim with NCPERS, a copy of which is attached as Exhibit “H”. He noted that NCPERS has asked every pension system to send the letter to their respective legislators.

Motion by Ryan Perkins and second by Jim Keesee to send the Unrelated Business Income Tax letter to all legislators representing Oklahoma. Ayes; W.B. Smith, Frank Stone, Jim Keesee, Susan Knight, Brandy Manek, Ryan Perkins, Tim Foley, Thomas Cooper, and Robert Groseclose. Absent: Tony Davenport, Andy McPherson, Dave Roberts, and Chris Cook. Motion Carried.

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TRUSTEE EDUCATION SESSION – PRESENTATION, FOR INFORMATIONAL PURPOSES ONLY, REGARDING SYSTEM BENEFITS, STRUCTURE, AND FINANCIAL STATISTICS.

Mr. Snyder briefly discussed the system benefits, structure and financial statistics of the system, a copy of which is attached as Exhibit “I”.

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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)

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, STATE OF COLORADO), CASE NO. 1:17-CV-03680, IN RE DICK’S SPORTING GOODS, INC. (UNITED STATES DISTRICT COURT, SOUTHERN DISTRICT OF NEW YORK), 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), 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. Steven Snyder advised that all cases were Status Quo. He also noted that OPPRS had received a \$5,000.00 incentive check for being Lead Plaintiff on RCS Capital Corporation and representing the class well.

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NEW BUSINESS

Mr. Ryan Perkins advised he had been made aware of OPPRS’ intention to terminate Mr. Shannon Kepler’s benefits based on his recent conviction of manslaughter. He questioned the process of the staff for terminating benefits as well as what say the board had in the process. He also questioned the definition of “crimes associated with his/her official duties” as well as how the determination is made by OPPRS. Mr. Snyder stated OPPRS did as they were advised by the Oklahoma Attorney General’s Office. Ms. Kim Heaton mentioned that due to the nature of the subject, any further conversation would need to be held in Executive Session.

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BOARD MEMBERS' REPORTS

Mr. Jim Keesee advised that he would be retiring on 12/27/2017. He stated that December would be his last board meeting.

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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 National Association of Police Organizations (NAPO) Pension and Benefits Seminar – Caesar’s Palace, Las Vegas
 - o January 28-30, 2018
- o NCPERS Annual Conference & Exhibition– Sheraton New York, New York, NY
 - o May 13-16, 2018
- o IFEBP CAPP (Certificate of Achievement in Public Plan Policy) – Chicago, IL
 - o Pensions Part I – June 12-13, 2018
 - o Pensions Part II – June 14-15, 2018

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DIRECTOR'S REPORT

Mr. Snyder advised that the Christmas Breakfast would be before the December Board Meeting, the Annual Report had been completed and was available on the website, ApplicationXtender was up and running and we would be doing away with paper copies of documents, and iPads are available, see Darcie if you would like one. He also mentioned that Lou Trost called to congratulate him on the OPPRS funded status.

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The meeting was adjourned at approximately 11:00am.

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.