

**MINUTES OF THE REGULAR MEETING OF THE  
OKLAHOMA POLICE PENSION AND RETIREMENT BOARD**

**Board Room  
1001 N.W. 63<sup>rd</sup> Street, Suite 305  
Oklahoma City, Oklahoma 73116**

**OCTOBER 19, 2016**

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, October 19, 2016, in the Board Room of the Oklahoma Police Pension and Retirement System.

MEMBERS PRESENT: Craig Akard, Tom Custer, Tony Davenport, Susan Knight, Rick Smith, W.B. Smith, Frank Stone, and Jeff Pierce.

OTHERS: Steven K. Snyder, Executive Director; Darcie Gordon, Administrative Officer; Lauren Holmes, Administrative Assistant; Deric Berousek, Chief Financial Officer; Sean Ruark, Pension Administration Officer; Jan Preslar, Attorney General's Office; Jason Pulos, Asset Consulting Group; and Mark Nelson, Oklahoma Fraternal Order of Police.

MEMBERS ABSENT: Jim Keesee, Brandy Manek, Andy McPherson, Ryan Perkins, and Tim Foley

Brandy Manek arrived at 10:03am and Frank Stone left at 10:29am.

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**APPROVAL OF MINUTES OF REGULAR BOARD MEETING HELD SEPTEMBER 21, 2016**

Motion by Jeff Pierce and second by Tom Custer to approve the Minutes of the Regular Board Meeting held September 21, 2016. Ayes: Craig Akard, Tom Custer, Tony Davenport, Susan Knight, Rick Smith, W.B. Smith, Frank Stone, and Jeff Pierce. Absent: Jim Keesee, Brandy Manek, Andy McPherson, Ryan Perkins, and Tim Foley. 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>
Adam F. Boyette	Ada
Ryan C. Collier	Ada
Taylor B. Lowe	Ada
Zachary S. Hildebrant-Pineira	Chickasha
Devon A. Baqrosky	Coweta
Benjamin J. Randall	Coweta
Ronnie S. Parker	Davis
Richard L. Davis	Miami
Ryan M. Parton	Midwest City
Jeramiah D. Frauenberger	Nowata
Byron S. Morgan	Savanna
Robert C. McKinney	Tahlequah

Brian J. Powers	Tahlequah
Alanna P. Colan	Tecumseh
Travis D. Ellis	Tecumseh
Jason T. Palmer	Tecumseh
Justin R. Sanders	Tuttle
Benjamin D. Blair	Wagoner
Clarence L. Collins	Wagoner
Donald E. Cox	Wagoner
Anthony D. Ponds, Jr.	Wagoner
Jamie A. Powell	Wagoner
Carl A. Smith	Wagoner
Jimmy R. Tannehill	Wagoner
David C. Cook	Wewoka

b. Application for Refund of Contributions:

<u>Name</u>	<u>City</u>
Wade A. Suffron	Alva
Brandon Wheeler	Blanchard
Brandon Eddy	Davis
Cory Lemons	Elk City
Jesse P. Smith	Eufaula
Stephen Menzel	Guthrie
Payton Patton	Guymon
Garrett K. Hays	Norman
Jeremiah Thompson	Oklahoma City
Jacob D. Keys	Tahlequah
Bennett Forrest	Tulsa
Larry Thoroughman	Vinita
Marcus Groh	Watonga
Ashlan Lambert	Woodward

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>
Darrell Southerland	Lawton	10/01/2011	10/01/2016
Chris Morris	McAlester	08/01/2016	11/01/2016
Steven P. Taylor	Sapulpa	11/01/2011	11/01/2016
Stephen J. Whittington	Tulsa	10/01/2011	10/01/2016

d. Application for Service Pension:

<u>Name</u>	<u>City</u>	<u>Eff. Date</u>
William L. Odom	Glenpool	11/01/2016

e. Application for Vested Benefit:

<u>Name</u>	<u>City</u>	<u>Eff. Date</u>
Jeff Henderson	Tulsa	03/06/2023

f. Death Benefit:

<u>Name</u>	<u>City</u>
Jan A. Davidson, widow of Cecil D. Davidson	Lawton
Lisa Moody, widow of Johnny W. Moody	Shawnee
Norma J. Dildine, widow of John H. Dildine	Tulsa
Sally K. McCool, widow of Marcus B. McCool	Tulsa

g. Continuation of Benefit:

<u>Name</u>	<u>City</u>
Jan A. Davidson, widow of Cecil D. Davidson	Lawton
Lisa Moody, widow of Johnny W. Moody	Shawnee
Norma J. Dildine, widow of John H. Dildine	Tulsa
Sally K. McCool, widow of Marcus B. McCool	Tulsa

Motion by Tom Custer and second by Jeff Pierce for approval of applications for Police Deferred Option Plan, Participation, Service Pension, Refunds and Benefits. Ayes: Craig Akard, Tom Custer, Tony Davenport, Susan Knight, Rick Smith, W.B. Smith, Frank Stone, and Jeff Pierce. Absent: Jim Keesee, Brandy Manek, Andy McPherson, Ryan Perkins, and Tim Foley. 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 September 2016 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 SEPTEMBER 30, 2016 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 September 30, 2016, a copy of which is attached as Exhibit "E". As of September 30, 2016, the total Fund was approximately \$2,258,137,000.00. The one-year return net of fees for the total Fund is 7.67%.

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**DISCUSSION AND POSSIBLE VOTE ON ALLOCATION TO WELLINGTON MANAGEMENT COMPANY. BOARD TO TAKE APPROPRIATE ACTION AS DEEMED NECESSARY.**

Mr. Jason Pulos advised the board that the initial funding for Wellington Management Company would be the \$60,000,000.00 which was redeemed from PAAMCO.

Motion by Tony Davenport and second by Tom Custer to allocate \$60,000,000.00 as initial investment to Wellington Management Company. Ayes: Craig Akard, Tom Custer, Tony Davenport, Susan Knight, Brandy Manek, Rick Smith, W.B. Smith, Frank Stone, and Jeff Pierce. Absent: Jim Keesee, Andy McPherson, Ryan Perkins, and Tim Foley. Motion Carried.

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**DISCUSSION AND POSSIBLE VOTE ON HIRING A LEGISLATIVE CONSULTING SERVICE. BOARD TO TAKE APPROPRIATE ACTION AS DEEMED NECESSARY.**

Mr. Steven Snyder advised the board that we had received 1 additional response to the RFP, along with the 5 we originally received.

The board chose to take no action on this matter.

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**CAVANAUGH MACDONALD CONSULTING, LLC – ACTUARIAL VALUATION REPORT AS OF JULY 1, 2016. BOARD TO TAKE APPROPRIATE ACTION AS DEEMED NECESSARY.**

Mr. Steven Snyder advised the board that the staff had found a couple of errors in the originally presented Actuary Valuation. He advised that Mr. Brent Banister has corrected the errors and presented the amended "Actuarial Valuation Report as of July 1, 2016", a copy is attached as Exhibit "F".

Motion by Jeff Pierce and second by Tom Custer to receive and file the amended 2016 Actuarial Report as presented. Ayes: Craig Akard, Tom Custer, Tony Davenport, Susan Knight, Brandy Manek, Rick Smith, W.B. Smith, Frank Stone, and Jeff Pierce. Absent: Jim Keese, Andy McPherson, Ryan Perkins, and Tim Foley. Motion Carried.

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**DISCUSSION OF POSSIBLE AMENDMENTS TO THE ADMINISTRATIVE RULES PROMULGATED BY THE OKLAHOMA POLICE PENSION AND RETIREMENT BOARD. BOARD TO TAKE APPROPRIATE ACTION AS DEEMED NECESSARY.**

Mr. Steven Snyder presented proposed new rules 550:1-5-7, a copy of which is attached as Exhibit "G".

Motion by Tony Davenport and second by Craig Akard to approve proposed rules as presented. Ayes: Craig Akard, Tom Custer, Tony Davenport, Susan Knight, Brandy Manek, Rick Smith, W.B. Smith, Frank Stone, and Jeff Pierce. Absent: Jim Keese, Andy McPherson, Ryan Perkins, and Tim Foley. Motion Carried.

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**LITIGATION REPORT – PROPOSED EXECUTIVE SESSION, IF DEEMED NECESSARY BY LEGAL COUNSEL TO DISCUSS CASE NO. CIV536013, IN RE SIENRA, INC. (SUPERIOR COURT OF THE STATE OF CALIFORNIA, COUNTY OF SAN MATEO); CASE NO. 15-CV-07759-LAK IN RE FIFTH STREET FINANCE CORP. (UNITED STATES DISTRICT COURT, SOUTHERN DISTRICT OF NEW YORK); CASE NO. 2:15-CV-01398-SRB, IN RE LIFELOCK, INC. (UNITED STATES DISTRICT COURT, DISTRICT OF ARIZONA); CASE NO. 3:15-CV-01797, IN RE MAGNACHIP SEMICONDUCTOR CORP. (UNITED STATES DISTRICT COURT, NORTHERN DISTRICT OF CALIFORNIA); CASE NO. 1:15-CV-00679, IN RE BOULDER BRANDS, INC. (UNITED STATES DISTRICT COURT, DISTRICT OF COLORADO); CASE NO. 1:14-CV-10136-GBD, IN RE RCS CAPITAL CORP. (UNITED STATES DISTRICT COURT, SOUTHERN DISTRICT OF NEW YORK); CASE NO. 1:14-CV-01997-LAK, IN RE WEIGHT WATCHERS INTERNATIONAL, INC. (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 TAILORED BRANDS, INC. (UNITED STATES DISTRICT COURT , SOUTHERN DISTRICT OF TEXAS); CASE NO. 12584-VCG, IN RE STARZ STOCKHOLDER LITIGATION. (COURT OF CHANCERY OF THE**

**STATE OF DELAWARE); CASE NO. 1:16-CV-05203, IN RE BANK OF AMERICA CORP. (UNITED STATES DISTRICT COURT, SOUTHERN DISTRICT OF NEW YORK); 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 the board that all cases were status quo.

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**NEW BUSINESS**

No New Business

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**BOARD MEMBERS' REPORTS**

Mr. Craig Akard advised he has been getting calls from constituents on who they should call to talk to about getting a COLA or thirteenth check. The board advised they should call their personal Senators and Representatives and get them involved as well as Rep. Randy McDaniel and Sen. Jason Smalley who chair the committees relating to pensions.

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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:

- NCPERS Public Safety Conference
  - October 23-26, 2016 – Las Vegas, NV
- ACG Due Diligence
  - November 9 - November 10, 2016 – St. Louis, MO
- IFEBP Annual Conference & CAPPP Part I
  - November 13 - November 16, 2016 – Orlando, FL
- NAPO's Annual Pension & Benefits Seminar
  - February 26-28, 2017 – Orlando, FL

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**DIRECTOR'S REPORT**

Mr. Snyder stated the October Managers Dinner would be at Mickey Mantle's and the new Pension Books were now available. He also stated that the Judy Cong Retirement Party would be December 20<sup>th</sup> at Hefner Grill.

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The meeting was recessed at approximately 10:32am until 1:00pm.

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At Approximately 1:00 p.m., Chairman W.B. Smith announced that the meeting was back in order.

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The representatives of the investment managers listed below made presentations to the Board which included a brief overview of the presenter and their firm, any relevant changes within their organization, their outlook on the financial marketplace, and how their portfolio is positioned to take advantage of that outlook, etc.:

Baring Asset Management  
Barbara Cassidy

Wasatch Advisors  
Kitty Swenson

Agincourt Capital Management  
Duncan Bouyer  
Patrick O'Hara

Blackstone Property Partners  
Allie Sweeney

PAAMCO  
Jim Meehan  
Jeff Willardson

A quorum of the Board did attend a reception/dinner, during which business of the System was not discussed. The reception/dinner was held at Mickey Mantle's Steakhouse, #7 Mickey Mantle Drive, Oklahoma City, Oklahoma.

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The meeting was adjourned at approximately 3:34pm.

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.