

**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

SEPTEMBER 20, 2017

The regular meeting of the Oklahoma Police Pension and Retirement Board was called to order by Chairman W.B. Smith at approximately 10:02 a.m. on Wednesday, September 20, 2017, in the Board Room of the Oklahoma Police Pension and Retirement System.

MEMBERS PRESENT: W.B. Smith, Tony Davenport, Frank Stone, Jim Keesee, Brandy Manek, Dave Roberts, Thomas Cooper, Chris Cook, and Robert Groseclose.

OTHERS: Steven K. Snyder, Executive Director; Darcie Gordon, Administrative Officer; Deric Berousek, Chief Financial Officer; Sean Ruark, Pension Administration Officer; Kim Heaton, Assistant Attorney General; Jason Pulos, Asset Consulting Group; Nate Atchison and Dan Bledsoe, Finley and Cook, PLLC; Brent Banister, Cavanaugh Macdonald Consulting, LLC; and Randal Dame, Waddell & Reed Financial Advisors.

MEMBERS ABSENT: Andy McPherson, Susan Knight, and Ryan Perkins

Tim Foley arrived at 10:08am

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FINLEY & COOK, PLLC – AUDIT REPORT AS OF JUNE 30, 2017. BOARD TO TAKE APPROPRIATE ACTION AS DEEMED NECESSARY.

Mr. Nate Atchison and Mr. Dan Bledsoe presented the "*Financial Statements, June 30, 2017 and 2016 (With Independent Auditors' Report Thereon)*" including "*The Auditors' Communication with Those Charged with Governance*", a copy is attached as Exhibit "A".

Motion by Jim Keesee and second by Chris Cook to receive and file the 2017 Audit Report as presented by Finley & Cook, PLLC. Ayes: W.B. Smith, Tony Davenport, Frank Stone, Jim Keesee, Brandy Manek, Tim Foley, Dave Roberts, Thomas Cooper, Chris Cook, and Robert Groseclose. Absent: Andy McPherson, Susan Knight, and Ryan Perkins. Motion Carried.

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CAVANAUGH MACDONALD CONSULTING, LLC – ACTUARIAL VALUATION REPORT AS OF JULY 1, 2017. BOARD TO TAKE APPROPRIATE ACTION AS DEEMED NECESSARY.

Mr. Brent Banister presented the "Valuation Results, September 21, 2017", a copy is attached as Exhibit "B".

Motion by Jim Keesee and second by Tony Davenport to receive and file the Actuarial Report as presented by Cavanaugh Macdonald Consulting, LLC. Ayes: W.B. Smith, Tony Davenport, Frank Stone, Jim Keesee, Brandy Manek, Tim Foley, Dave Roberts, Thomas Cooper, Chris Cook, and Robert Groseclose. Absent: Andy McPherson, Susan Knight, and Ryan Perkins. Motion Carried.

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HEARING: CASE NO. OPPRB 17-02, APPLICATION FOR DISABILITY BENEFIT IN LINE OF DUTY FOR MATTHEW “GRANT” HANSEN, OKLAHOMA CITY.

Mr. Matthew “Grant” Hansen was not present for the hearing and did not have legal counsel present.

Mr. Steven Snyder introduced Exhibits 1-5

- OPPRS Exhibit #1 – Application for Disability Benefit In Line of Duty, received March 3, 2017
- OPPRS Exhibit #2 – Oklahoma City Police Department Crime Report, dated February 25, 2012 (2 pages)
- OPPRS Exhibit #3 – No position letter from the City of Oklahoma City (William City, Chief of Police), dated April 10, 2017
- OPPRS Exhibit #4 – Report from Dr. John Munneke, dated September 7, 2017 (4 pages)
- OPPRS Exhibit #5 - Notice of Hearing, dated September 15, 2017

Motion by Jim Keesee and second by Dave Roberts to award Mr. Matthew “Grant” Hansen a 100% impairment rating which equals a 100% disability benefit. Ayes: W.B. Smith, Tony Davenport, Frank Stone, Jim Keesee, Brandy Manek, Tim Foley, Dave Roberts, Thomas Cooper, Chris Cook, and Robert Groseclose. Absent: Andy McPherson, Susan Knight, and Ryan Perkins. Motion Carried.

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APPROVAL OF MINUTES OF REGULAR BOARD MEETING HELD AUGUST 16, 2017

Motion by Jim Keesee and second by Chris Cook to approve the minutes of the Regular Board Meeting held August 16, 2017. Ayes: W.B. Smith, Frank Stone, Jim Keesee, Brandy Manek, Tim Foley, Dave Roberts, Thomas Cooper, Chris Cook, and Robert Groseclose. Abstain: Tony Davenport. Absent: Andy McPherson, Susan Knight, and Ryan Perkins. 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>
Jordan C. Stone	Anadarko
Seth N. Adcock	Bixby
Cameron G. Mann	Bixby
Logan B. Crawford	Broken Arrow
Stephen P. Day	Broken Arrow
Robert G. Dickinson	Broken Arrow
Adam Z. Gilchrist	Broken Arrow
Erik L. Ishmael	Broken Arrow
Kenneth R. Lucas	Broken Arrow
Sean D. Moulder	Broken Arrow
Conner J. Poole	Broken Arrow
Luke J. Sleeper	Broken Arrow
Cody G. Stanton	Broken Arrow
Niko K. Wright	Broken Arrow

Alexander B. Pegorsch	Catoosa
Keyton M. Davis	Chickasha
Brenden D. Yockel	Chickasha
Blake W. Reichert	Del City
Mandy R. Folden	Drumright
Andrew C. Ash	Enid
Bradley M. Davis	Enid
Austin L. Lenamond	Enid
Bryan R. Rios	Enid
Timothy A. Bryan	Eufaula
Kevin R. Kirk	Frederick
Casey B. Gore	Guymon
Jacob E. Rivera	Guymon
Steven K. Markham	Jenks
Sam Q. Ridenhour	Kingfisher
Malcolm J. Anderson	Oklahoma City
Tyler D. Arney	Oklahoma City
Kyle S. Aschenbrenner	Oklahoma City
William J. Davis	Oklahoma City
Cory J. Fitchett	Oklahoma City
Rebecca M. Ford	Oklahoma City
Will D. Hall	Oklahoma City
Matthew R. Morgan	Oklahoma City
Justin R. Pickle	Oklahoma City
Michael O. Poe	Oklahoma City
Cody J. Southerland	Oklahoma City
Cooper O. Treadaway	Oklahoma City
Justin D. Tulk	Pawhuska
Justin N. Hinch	Ponca City
Cameron L. Hurd	Ponca City
John A. Gann	Pryor
Kellsie F. Davis	Sand Springs
Christopher Perez	Sand Springs
Justin D. Leatherwood	Tahlequah
Michael R. Anderson	Warner
Emmett R. Duncan	Woodward

b. Application for Refund of Contributions:

<u>Name</u>	<u>City</u>
Bradley D. Goodin	Drumright
Rebekah Badgett	Elk City
Brice Greenhoward	Forest Park
Justin Foster	Idabel
Stephen A. Mills	Lindsay
Robine Reeves, Personal Rep. James C. Murdock	Lindsay
Jeffery W. Wallace	Lindsay
Randy J. Akin, II	Norman
Tyler McMahan	Norman

Bryan D. Robison	Nowata
Chuck Ward	Pryor
Skylar Green	Tahlequah
Betty J. Shelby	Tulsa
Michael Lueking	Wetumka
Todd O. Young	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>
Phillip J. Keck	Ada	09/01/2014	09/01/2017
Richard J. Armstrong	Oklahoma City	11/01/2012	11/01/2017
Graham M. Robertson	Oklahoma City	10/01/2012	10/01/2017
Larry J. Bayles, Jr.	Tulsa	10/01/2012	10/01/2017
Ronald L. Benight, II	Tulsa	11/01/2014	10/01/2017

d. Application for Service Pension:

<u>Name</u>	<u>City</u>	<u>Eff. Date</u>
Darrell J. Sweet	Bartlesville	11/01/2017
Joseph K. Stoy	Edmond	12/01/2017
Jason E. Sparks	Moore	11/01/2017

e. Death Benefit:

<u>Name</u>	<u>City</u>
Toni K. Bascom, widow of Daryle E. Bascom	Broken Arrow
Kirby Darbe Jr., Personal Rep. of Kirby Darbe Sr.	Kingfisher
Robine Reeves, Personal Rep. James C. Murdock	Lindsay
Bradley A. Disel, Personal Rep. of Fred M. Mitchell	Lawton
Linda L. Crawford, Personal Rep. of James A. Crews	Midwest City

f. Continuation of Benefit:

<u>Name</u>	<u>City</u>
Toni K. Bascom, widow of Daryle E. Bascom	Broken Arrow

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

<u>Name</u>	<u>City</u>
Kirby Darbe Jr., Personal Rep. of Kirby Darbe Sr.	Kingfisher
Linda L. Crawford, Personal Rep. of James A. Crews	Midwest City

h. Termination of Benefit:

<u>Name</u>	<u>City</u>
Kirby Darbe Sr.	Kingfisher
Fred M. Mitchell	Lawton
James A. Crews., Jr	Midwest City

Motion by Jim Keesee and second by Chris Cook for approval of applications for Police Deferred Option Plan, Participation, Service Pension, Refunds, and Benefits. Ayes: W.B. Smith, Tony Davenport, Frank Stone, Jim Keesee, Brandy Manek, Tim Foley, Dave Roberts, Thomas Cooper, Chris Cook, and Robert Groseclose. Absent: Andy McPherson, Susan Knight, and Ryan Perkins. Motion Carried.

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REVIEW OF BOARD REPORTS

The Account #6000, Fund 20000 (operating expenses), report is attached as Exhibit "C"; the Account #8557A, Fund Expenditures (receipts and disbursements), report for August 2017 is attached as Exhibit "D"; the Broker Commission Report is attached as Exhibit "E"; and the report for the Statement of Total Fund is attached as Exhibit "F".

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ASSET CONSULTING GROUP – FINANCIAL CONSULTANT REPORT FOR MONTH ENDED AUGUST 31, 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 August 31, 2017, a copy of which is attached as Exhibit "G". As of August 31, 2017, the total Fund was approximately \$2,420,672,000.00. The one-year return net of fees for the total Fund is 9.65%.

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

Mr. Jason Pulos reviewed the Oklahoma Police Pension and Retirement System Private Equity Review and Recommendation, September 20, 2017, a copy of which is attached as Exhibit "H". Mr. Pulos stated it was the recommendation of Asset Consulting Group to commit \$15,000,000.00 to Francisco Partners V, LP.

Motion by Tony Davenport and second by Jim Keesee to commit \$15,000,000.00 to Francisco Partners V, LP. Ayes: W.B. Smith, Tony Davenport, Frank Stone, Jim Keesee, Brandy Manek, Tim Foley, Dave Roberts, Thomas Cooper, and Chris Cook. Absent: Andy McPherson, Susan Knight, Ryan Perkins, and Robert Groseclose. Motion Carried.

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ASSET CONSULTING GROUP – DISCUSSION AND POSSIBLE VOTE ON SELECTION AND/OR TERMINATION OF HEDGE FUND MANAGERS FOR SHARE CLASS B, OF GROSVENOR LONG/SHORT EQUITY FUND. BOARD TO TAKE APPROPRIATE ACTION AS DEEMED NECESSARY.

Mr. Jason Pulos advised the board it was the recommendation of Asset Consulting Group to redeem Hoplite Fund Ltd.

Motion by Jim Keesee and second by Chris Cook to redeem Hoplite Fund Ltd. Ayes: W.B. Smith, Tony Davenport, Frank Stone, Jim Keesee, Brandy Manek, Tim Foley, Dave Roberts, Thomas Cooper, Chris Cook, and Robert Groseclose. Absent: Andy McPherson, Susan Knight, and Ryan Perkins. Motion Carried.

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PROPOSED EXECUTIVE SESSION, IF DEEMED NECESSARY BY LEGAL COUNSEL TO DISCUSS POSSIBLE SECURITIES LITIGATION CLAIMS 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 Jim Keesee and second by Dave Roberts to enter into Executive Session (at approx. 11:06am) Ayes: W.B. Smith, Tony Davenport, Frank Stone, Jim Keesee, Brandy Manek, Tim Foley, Dave Roberts, Thomas Cooper, Chris Cook, and Robert Groseclose. Absent: Andy McPherson, Susan Knight, and Ryan Perkins. Motion Carried.

Motion by Chris Cook and second by Jim Keesee to enter into Open Session (at approx. 11:12am) Ayes: W.B. Smith, Tony Davenport, Frank Stone, Jim Keesee, Brandy Manek, Tim Foley, Dave Roberts, Thomas Cooper, Chris Cook, and Robert Groseclose. Absent: Andy McPherson, Susan Knight, and Ryan Perkins. Motion Carried.

Motion by Chris Cook and second by Dave Roberts to file claim against ClubCorp Holdings, Inc. with Robbins Geller Rudman & Dowd LLP. Ayes: W.B. Smith, Tony Davenport, Frank Stone, Jim Keesee, Brandy Manek, Tim Foley, Dave Roberts, Thomas Cooper, Chris Cook, and Robert Groseclose. Absent: Andy McPherson, Susan Knight, and Ryan Perkins. 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. 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),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), 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.

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NEW BUSINESS

No new business.

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BOARD MEMBERS' REPORTS

Mr. Jim Keese mentioned that he had attended the NCPERS Public Pension Funding Forum in San Francisco, CA. He stated it was a good conference with about 125 attendees.

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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 OPFTEC - Chickasaw Retreat and Conference Center – Sulphur, OK
 - o September 27-29, 2017
- o NCPERS Public Safety Employees’ Pension and Benefits Conference – Hyatt Regency, San Antonio, TX
 - o October 1-4, 2017
- o IFEBP Annual Conference– Mandalay Bay, Las Vegas, NV
 - o October 22 – 25, 2017
- o NCPERS Annual Conference & Exhibition– Sheraton New York, New York, NY
 - o May 13-16, 2018

He also advised the board they would need to move the ACG Due Diligence Meeting in St. Louis due to the conflict with Rep. McDaniel’s Interim Study. The board was not able to settle on a date, so the conference was postponed to a date to be determined.

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DIRECTOR’S REPORT

Mr. Snyder advised that the Governor had signed a Declaration approving our rules and they were effective 9-11-17. He mentioned the October Managers Dinner would be at Boulevard Steakhouse. He also stated the 2017 Pension Books were in the final revision stages and would be available at the October Board Meeting. He also advised that ApplicationXtender was up and running and we would be doing away with paper copies of documents.

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The meeting was adjourned at approximately 11:35am.

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.