

**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 19, 2018

The regular meeting of the Oklahoma Police Pension and Retirement Board was called to order by Chairman Chris Cook at approximately 10:01 a.m. on Wednesday, September 19, 2018, in the Board Room of the Oklahoma Police Pension and Retirement System.

MEMBERS PRESENT: Tony Davenport, Andy McPherson, Brandy Manek, Tim Foley, Dave Roberts, Thomas Cooper, Chris Cook, Robert Groseclose, Sandra LaVenue, and Jeff Russell.

OTHERS: Ginger Sigler, Executive Director; Sean Ruark, Pension Administration Officer; Darcie Gordon, Administrative Officer; Deric Berousek, Chief Financial Officer; Lauren Holmes, Administrative Assistant; Thomas Schneider, Assistant Attorney General; Jason Pulos, Asset Consulting Group; Dan Bledsoe and Traci Keel, Finley & Cook PLLC; Brent Banister, Cavanaugh Macdonald Consulting, LLC; Lee Davis, Office of Management and Enterprise Services

MEMBERS ABSENT: Ryan Perkins and Chris Chandler
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RECOGNITION OF SUSAN KNIGHT FOR HER 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.

Mr. Chris Cook advised the board that a Resolution from the Board of Trustees of the Oklahoma Police Pension and Retirement System had been prepared for Ms. Susan Knight.

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FINLEY & COOK, PLLC – AUDIT REPORT AS OF JUNE 30, 2018. BOARD TO TAKE APPROPRIATE ACTION AS DEEMED NECESSARY.

Mr. Dan Bledsoe presented the "*Financial Statements, June 30, 2018 and 2017 (With Independent Auditors' Report Thereon)*" including "*The Auditors' Communication with Those Charged with Governance*", a copy is attached as Exhibit "A". Mr. Bledsoe stated that a clean audit was completed with no issues being noted. Mr. Bledsoe also stated that the staff of OPPRS has made the audit very easy to complete.

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CAVANAUGH MACDONALD CONSULTING, LLC – ACTUARIAL VALUATION REPORT AS OF JULY 1, 2018. BOARD TO TAKE APPROPRIATE ACTION AS DEEMED NECESSARY.

Mr. Brent Banister presented the "Valuation Results, September 19, 2018", a copy is attached as Exhibit "B". Mr. Bainster addressed the funding percentage of OPPRS as of June 30, 2018 and stated that the Board had done a great job protecting the assets of the fund.

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APPROVAL OF MINUTES OF REGULAR BOARD MEETING HELD AUGUST 15, 2018.

Motion by Tony Davenport and second by Dave Roberts to approve the minutes of the Regular Board Meeting held August 15, 2018. Ayes: Tony Davenport, Brandy Manek, Tim Foley, Dave Roberts, Thomas Cooper, Chris Cook, Robert Groseclose, Sandra LaVenue and Jeff Russell. Abstain: Andy McPherson. Absent: Ryan Perkins and Chris Chandler. 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>
Jeremiah N. Godfrey	Cleveland
Ryan P. Richert	Clinton
Michael L. Roberts	Crescent
Andrew R. Stephens	Crescent
Austin R. White	Eufaula
Aubri R. Wiley	Guthrie
Darren E. Andrews	Harrah
Paige M. Johnson	Henryetta
Broden J. Carls	Kingfisher
James F. Pitts	Kiowa
Garrett D. Royal	Madill
Steven J. McMahan	Mangum
Christopher R. Kennon	McAlester
Brian L. Billie	Norman
Christopher D. Montague	Norman
Chris B. Noel	Norman
Troy L. Pierce	Norman
Joshua K. Rojas	Norman
Gary W. Baker	Oklahoma City
Timothy T. Cross, Jr.	Oklahoma City
Jeffrey J. Crouch	Oklahoma City
Samuel R. Flowers	Oklahoma City
Brett A. Fowler	Oklahoma City
Trent C. LeBeau	Oklahoma City
Tyler D. McCollough	Oklahoma City
Drew T. Mullinix	Oklahoma City
Katelyn R. Pierce	Oklahoma City
Kevin C. Reagor	Oklahoma City
David D. Smith	Oklahoma City
Travis K. Townsend	Oklahoma City
Justin S. Westfahl	Oklahoma City
Cody T. Jenkins	Okmulgee
Justin N. Hinch	Ponca City
Marcus L. Kincaid	Ponca City
Stetson A. Sisco	Ponca City
Sarah M. Brown	Pryor
Matthew K. Gilbert	Pryor
Michael L. Brown	Purcell
John R. Randolph, IV	Tishomingo
Caleb M. Bell	Tulsa

Ashleigh R. Blackburn	Tulsa
Patrick D. Bradshaw	Tulsa
Garrett W. Carter	Tulsa
Eric T. Chronister	Tulsa
Kansas S. Core	Tulsa
Justin D. Dowell	Tulsa
Caleb A. Howell	Tulsa
Jacob M. Huff	Tulsa
Kevin M. Pentecost	Tulsa
Juan H. Perez	Tulsa
Alan C. Proo	Tulsa
Connor J. Raines	Tulsa
Aaron R. Russell	Tulsa
Steve Saenz	Tulsa
Kevin B. Schoch, II	Tulsa
Andrew M. St. John	Tulsa
Boglarka A. Tapolyai	Tulsa
Justin M. Vernon	Tulsa

b. Application for Refund of Contributions:

<u>Name</u>	<u>City</u>
Jessica Sly	Altus
Jaien Adams	Blanchard
Matthew Whitehead	Clinton
William A. Gerhold	Elk City
Benjamin Streck	Enid
Larry C. Barnett	Eufaula
Samantha M. Rousey	Lawton
Anthony Butler	Luther
Jerry White	Newcastle
Justin Parker	Norman
Brett R. Coffey	Oklahoma City
Mitchell Camp	Piedmont
Michael E. Suttles	Wister
Kenton D. Love	Woodward

c. Terminate Deferred Option Plan to Begin Service Pension:

<u>Name</u>	<u>City</u>	<u>Eff. Date</u>
Dennis J. Waller	Glenpool	09/01/2018

d. 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>
Dennis J. Baker	Kingfisher	09/01/2013	09/01/2018
Karl Landers	Midwest City	12/01/2013	12/01/2018
Debbie Hamilton-Crisp	Tulsa	09/01/2013	09/01/2018
Shawn King	Tulsa	10/01/2013	10/01/2018
Randall W. Solomon	Tulsa	10/01/2016	10/01/2018

e. Application for Service Pension:

<u>Name</u>	<u>City</u>	<u>Eff. Date</u>
Daniel P. Wiedemann	Choctaw	02/01/2019
Rodney Tompkins	Moore	12/01/2018

f. Application for Vested Benefit:

<u>Name</u>	<u>City</u>	<u>Eff. Date</u>
Kenneth Bethune	McAlester	09/16/2019
Jesse W. Kriebel	Ponca City	03/19/2030
Robert F. Smith	Ponca City	02/19/2027

g. Death Benefit:

<u>Name</u>	<u>City</u>
Retha K. Madden, widow of Charles E. Madden	Muskogee
JoAnn M. Martin, widow of Melvin D. Martin	Oklahoma City
Bonnie S. Pierce, widow of Sammie V. Pierce	Oklahoma City
Cheryl E. Pilkington, widow of David L. Pilkington	Tulsa
Whitney Chaichankanchang, Personal Rep. of Michael E. Jones	Oklahoma City
Tuesday D. Douglas, Personal Rep. of Howard T. Taylor	Oklahoma City
Clay E. Williams, Personal Rep. of Willie G. Williams	Oklahoma City

h. Continuation of Benefit:

<u>Name</u>	<u>City</u>
Retha K. Madden, widow of Charles E. Madden	Muskogee
JoAnn M. Martin, widow of Melvin D. Martin	Oklahoma City
Bonnie S. Pierce, widow of Sammie V. Pierce	Oklahoma City
Cheryl E. Pilkington, widow of David L. Pilkington	Tulsa

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

<u>Name</u>	<u>City</u>
Stacey Coats, Personal Rep. of Billy L. Holt	Norman
Whitney Chaichankanchang, Personal Rep. of Michael E. Jones	Oklahoma City
Tuesday D. Douglas, Personal Rep. of Howard T. Taylor	Oklahoma City
Clay E. Williams, Personal Rep. of Willie G. Williams	Oklahoma City
Rita O. Basom, Personal Rep. of Wauneta Ortloff	Tulsa
Lori A. Washburn, Personal Rep. of Claudia C. Washburn	Tulsa

j. Termination of Benefit:

<u>Name</u>	<u>City</u>
Billy L. Holt	Norman
Michael E. Jones	Oklahoma City
Howard T. Taylor	Oklahoma City
Willie G. Williams	Oklahoma City
Wauneta Ortloff	Tulsa
Claudia C. Washburn	Tulsa

Motion by Jeff Russell and second by Andy McPherson for approval of applications for Police Deferred Option Plan, Participation, Service Pension, Refunds, and Benefits. Ayes: Tony Davenport, Andy McPherson, Brandy Manek, Tim Foley, Dave Roberts, Thomas Cooper, Chris Cook, Robert Groseclose, Sandra LaVenue and Jeff Russell. Absent: Ryan Perkins and Chris Chandler. Motion Carried.

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DENISE WARREN, OSBI – REQUEST TO RESCIND APPLICATION FOR VESTED BENEFIT APPROVED 07/20/2011 AND REQUEST TO APPROVE APPLICATION FOR PARTICIPATION, OBND. BOARD TO TAKE APPROPRIATE ACTION AS DEEMED NECESSARY.

Motion by Robert Groseclose and second by Tony Davenport to approve the request to rescind Application for Vested Benefit approved 07/20/2011 and approve Application for Participation for Denise Warren, OBND. Ayes: Tony Davenport, Andy McPherson, Brandy Manek, Tim Foley, Dave Roberts, Thomas Cooper, Chris Cook, Robert Groseclose, Sandra LaVenue and Jeff Russell. Absent: Ryan Perkins and Chris Chandler. 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 2018 is attached as Exhibit "D"; the Broker Commission Report is attached as Exhibit "E"; the Statement of Total Fund is attached as Exhibit "F", and the Monthly Claims Register is attached as Exhibit "G".

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ASSET CONSULTING GROUP – FINANCIAL CONSULTANT REPORT FOR MONTH ENDED AUGUST 31, 2018 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, 2018, a copy of which is attached as Exhibit "H". As of August 31, 2018, the total Fund was approximately \$2,607,691,000.00. The one-year return net of fees for the total Fund is 9.45%.

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ASSET CONSULTING GROUP – DISCUSSION AND POSSIBLE VOTE ON TRANSITIONING FROM CURRENT OAKTREE FIXED INCOME STRATEGY TO OAKTREE'S NEW GLOBAL CREDIT FUND. BOARD TO TAKE APPROPRIATE ACTION AS DEEMED NECESSARY.

Mr. Jason Pulos reviewed the Oaktree Portfolio Discussion, September 19, 2018, a copy of which is attached as Exhibit "I". Mr. Pulos advised the Board that Oaktree's operating expenses in the Oaktree Fixed Income Strategy are rising and made the recommendation that OPRS transition into the Oaktree Global Credit Fund, which is more diversified and flexible. Mr. Pulos explained that because OPRS had been investing with Oaktree for so long, Oaktree was lowering the fees that OPRS would be incurring as well.

Motion by Tony Davenport and second by Dave Roberts to move the balance of the Oaktree Fixed Income Strategy to the Oaktree Global Credit Fund. Ayes: Tony Davenport, Andy McPherson, Brandy Manek, Tim Foley, Dave Roberts, Thomas Cooper, Chris Cook, Robert

Groseclose, Sandra LaVenue and Jeff Russell. Absent: Ryan Perkins and Chris Chandler. Motion Carried.

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DISCUSSION AND POSSIBLE VOTE ON CHANGING CONSULTANT’S FEE CALCULATION TO A FLAT FEE AMOUNT OF \$650,000.00. BOARD TO TAKE APPROPRIATE ACTION AS DEEMED NECESSARY.

Mr. Dave Roberts mentioned that on the recent Due Diligence trip to St. Louis, there was some discussion about moving to a flat \$650,000.00 fee rather than a maximum \$650,000.00 fee. He stated that Asset Consulting Group did many checks and balances in the billing process and this would make things much easier for ACG and OPPRS. He stated ACG has no interest in raising the fee and that OPPRS had surpassed the \$650,000.00 maximum cap for the last 5 years. Mr. Jason Pulos stated that there would be a new contract written including a flat fee, which would also include 30 days’ notice to terminate the contract.

Motion by Dave Roberts and second by Robert Groseclose to set consultant’s fee to a flat \$650,000.00 per year. Ayes: Tony Davenport, Andy McPherson, Brandy Manek, Tim Foley, Dave Roberts, Thomas Cooper, Chris Cook, Robert Groseclose, Sandra LaVenue and Jeff Russell. Absent: Ryan Perkins and Chris Chandler. Motion Carried.

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UPDATE ON OPPRS POLICY CHANGES WITH REGARD TO RECOMMENDATIONS FROM CRAWFORD & ASSOCIATES, P.C. BOARD TO TAKE APPROPRIATE ACTION AS DEEMED NECESSARY.

Ms. Ginger Sigler provided the board an update on the policies that had been implemented as a result of the audit conducted by Crawford & Associates, P.C. Ms. Sigler noted that the areas of concerns had been addressed and new policies had been implemented for each issue.

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DISCUSSION AND POSSIBLE VOTE ON CHANGING OCTOBER 2018 BOARD MEETING DATE. BOARD TO TAKE APPROPRIATE ACTION AS DEEMED NECESSARY.

Mr. Chris Cook advised the board that four members would be traveling home from the NCPERS Annual Conference on the day of the October board meeting. He questioned if we needed to move the date in order to get a quorum.

Motion by Dave Roberts and second by Tim Foley to move the October board meeting to October 24, 2018 at 9:00 a.m. Ayes: Tony Davenport, Andy McPherson, Brandy Manek, Tim Foley, Dave Roberts, Thomas Cooper, Chris Cook, Robert Groseclose, Sandra LaVenue and Jeff Russell. Absent: Ryan Perkins and Chris Chandler. Motion Carried.

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PROPOSED EXECUTIVE SESSION, IF DEEMED NECESSARY BY LEGAL COUNSEL TO DISCUSS CREATING A NEW POSITION FOR A DEPUTY DIRECTOR, PURSUANT TO 25 O.S. § 307(B)(1)

Mr. Thomas Schneider, Assistant Attorney General for OPPRS, noted that it was not appropriate to have an executive session for this item. Discussion was held about creating a new Deputy Director position. Mr. Chris Cook informed the board that when they discussed hiring the new Executive Director, they also wanted to create a Deputy Director position for succession purposes. He stated when Ms. Sigler was hired, that was conveyed to her and they asked her to set an agenda item when

she was ready. The discussion affirmed the Board’s intentions were to be more proactive in the future with succession plans.

Motion by Andy McPherson and second by Robert Groseclose to create a Deputy Director Position for the Oklahoma Police Pension and Retirement System. Ayes: Tony Davenport, Andy McPherson, Brandy Manek, Tim Foley, Dave Roberts, Thomas Cooper, Chris Cook, Robert Groseclose, Sandra LaVenue and Jeff Russell. Absent: Ryan Perkins and Chris Chandler. Motion Carried.

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DISCUSSION AND POSSIBLE VOTE ON CRITERIA TO NARROW DOWN THE PENSION LEGISLATIVE CONSULTANT RFP RESPONSES. BOARD TO TAKE APPROPRIATE ACTION AS DEEMED NECESSARY.

Ms. Ginger Sigler questioned the board as to the best way to proceed with the RFP process. The board’s consensus was for Ms. Sigler to review the responses and narrow them to three firms. A committee of Mr. Rob Groseclose, Chairman Chris Cook and Vice-Chair David Roberts would interview the three (3) firms and bring a recommendation to the board at the November board meeting.

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DISCUSSION AND POSSIBLE VOTE ON APPROVAL OF SOCIAL MEDIA POLICY FOR OKLAHOMA POLICE PENSION AND RETIREMENT SYSTEM. BOARD TO TAKE APPROPRIATE ACTION AS DEEMED NECESSARY.

Ms. Ginger Sigler presented the board with the Oklahoma Police Pension & Retirement System Social Networking and Social Media Policy, a copy of which is attached as Exhibit “J”. She stated that she wanted communication and education for the membership of OPPRS. She feels like Facebook and Instagram pages are a good place to start. She stated the document was a template from OMES, which was completed with OPPRS’ information. She advised it needed board approval and then OMES approval.

Motion by Tony Davenport and second by Thomas Cooper to approve the Oklahoma Police Pension & Retirement System Social Media Policy. Ayes: Tony Davenport, Andy McPherson, Brandy Manek, Tim Foley, Dave Roberts, Thomas Cooper, Chris Cook, Robert Groseclose, Sandra LaVenue and Jeff Russell. Absent: Ryan Perkins and Chris Chandler. Motion Carried.

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DISCUSSION AND POSSIBLE VOTE ON HOW TO GO FORWARD WITH EXISTING CONTRACTS AND ANY NEW CONTRACTS. BOARD TO TAKE APPROPRIATE ACTION AS DEEMED NECESSARY.

Ms. Ginger Sigler advised the board that she would like to have someone go through and review all the current contracts and review contracts going forward. Ms. Sigler stated she was not an attorney and would like to make sure all the contracts were where in accordance with state statutes and Oklahoma Law. Ms. Sigler stated she knew a contract attorney that she had worked with in the past, who was excellent.

Motion by Robert Groseclose and second by Dave Roberts to file the necessary paperwork with the Attorney General’s office. Ayes: Tony Davenport, Andy McPherson, Brandy Manek, Tim Foley, Dave Roberts, Thomas Cooper, Chris Cook, Robert Groseclose, Sandra LaVenue and Jeff Russell. Absent: Ryan Perkins and Chris Chandler. 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. 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, DISTRICT OF COLORADO), 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), CASE NO. 2:18-CV-02612-SVW-AGR, IN RE TRUECAR INC. (UNITED STATES DISTRICT COURT, CENTRAL DISTRICT OF CALIFORNIA), CASE NO. 4:18-CV-5181, IN RE NEVRO CORPORATION ET.AL (UNITED STATES DISTRICT COURT, NORTHERN DISTRICT OF CALIFORNIA), 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

Mrs. Ginger Sigler advised that all cases with status quo.

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NEW BUSINESS

No new business

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BOARD MEMBERS' REPORTS

Mr. Chris Cook stated the NCPERS Public Pension Funding Forum was a good conference and very eye opening.

Mr. Robert Groseclose asked that if the City of Yukon requested a hearing, that it be scheduled for November.

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DISCUSSION OF SEMINARS/CONFERENCES. BOARD TO TAKE APPROPRIATE ACTION AS DEEMED NECESSARY.

Ms. Ginger Sigler advised the board of the following conferences and stated they each had a full list for the remainder of 2018 and 2019 at their seat.

- o Oklahoma Public Funds Trustee Education Conference – Tulsa, OK
 - o September 26-28, 2018
- o IFEBP 64th Annual Employee Benefits Conference – New Orleans, LA
 - o October 14-17, 2018
- o NCPERS Public Safety Conference and Accredited Fiduciary Program – Paris Las Vegas – Las Vegas, NV
 - o October 27-31, 2018

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DIRECTOR’S REPORT

Ms. Sigler thanked the board for choosing her to lead OPPRS. She stated it had been a great 3 weeks. Ms. Sigler advised the board that 2018 Pension Books should be available at the October meeting, Mr. Sigler mentioned that OPFTEC was next week which our System was hosting. She noted that District 7 Ballots were due back Oct 10th and we should have a new Retired Board Member for the October Meeting. Ms. Sigler stated that the Office 365 Migration would be happening overnight tonight and tomorrow morning. Ms. Sigler noted that shirts had arrived and to make sure everyone picked theirs up. She also mentioned that she and Chris Cook met with Mark Nelson of OKC FOP and discussed possible legislation coming up in the next few years. Ms. Sigler stated she would like to see a COLA introduced in the next legislative session since it would have to go through the Oklahoma Pension Legislation Actuarial Analysis Act. However, Ms. Sigler state that if a COLA was not attainable, the possibility for a thirteenth (13) check stipend might be requested. Ms. Sigler mentioned that the stipend letters would be going out shortly. She was going to begin researching the disability process of other states to see how we could improve our current process. Ms. Sigler ended by stating that the auto attendant had been removed from the current phone system but that the Office was working with Cox Communications to update the phones. This update would include dedicated lines to all of the Board Members as well.

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The meeting was adjourned at approximately 11:30 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 DARCIÉ GORDON, ADMINISTRATIVE OFFICER.