

**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**

AUGUST 17, 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, August 17, 2016, in the Board Room of the Oklahoma Police Pension and Retirement System.

MEMBERS PRESENT: Craig Akard, Tom Custer, Tony Davenport, Jim Keese, Andy McPherson, Ryan Perkins, Rick Smith, W.B. Smith, Frank Stone, Jeff Pierce, and Tim Foley.

OTHERS: Steven K. Snyder, Executive Director; Darcie Gordon, Administrative Officer; Lauren Holmes, Administrative Assistant; Deric Berousek, Chief Financial Officers; Kim Heaton, Attorney General's Office; Jason Pulos & Brad Davis, Asset Consulting Group; and Ray Ix, Mt. Lucas Management

MEMBERS ABSENT: Susan Knight

* Brandy Manek arrived at 10:12am and Frank Stone left at 11:27am*

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APPROVAL OF MINUTES OF REGULAR BOARD MEETING HELD JULY 20, 2016

Motion by Tom Custer and second by Jim Keese to approve the Minutes of the Regular Board Meeting held July 20, 2016. Ayes: Craig Akard, Tom Custer, Tony Davenport, Jim Keese, Ryan Perkins, Rick Smith, W.B. Smith, Frank Stone, Jeff Pierce, and Tim Foley. Abstain: Andy McPherson. Absent: Susan Knight and Brandy Manek. 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>
Brandon J. Armstrong	Bartlesville
Clinton A. Davis	Bartlesville
Nicholas C. Gonzalez	Bartlesville
Clifford F. Walker	Chickasha
Devane K. Wood	Davis
Trilbey K. Stone, III	Elk City
Nicole M. Binckley	Enid
Steven R. Curts	Enid
Caleb R. Ellington	Enid
Christian Owusu	Enid
Scott A. Betterton	Guthrie
Jose R. Botello	Guthrie
Correy L. Murchison	Guthrie

Jonathan L. Moss	Haskell
Carlos M. Aguayo	Lawton
Michael D. Arzola	Lawton
Cody R. Gatliff	Lawton
Michael A. Hatcher	Lawton
Kolton L. Jones	Lawton
Timothy A. Pease	Lawton
Howard G. Pierce	Lawton
Dane J. Swinford	Lawton
David J. Martinez	Lexington
Stephen A. Mills	Lindsay
Samuel M. Brown, III	Midwest City
McKale C. Washington	Moore
Michael R. Anderson	Muskogee
Jacob C. Fierro	Muskogee
John D. Lemasters	Nicoma Park
Jennifer M. Bryan	Norman
Jamie M. Crowe	Norman
Aaron D. Deese	Norman
Katelyn Dixon	Norman
Larry D. Gatlin	Norman
Benjamin K. Gomez	Norman
Derek W. Hartman	Norman
Lane M. Howard	Norman
Estie E. Hudson	Norman
Brennon D. Ivey	Norman
Mark C. Knapp	Norman
Tyler L. McMahan	Norman
Nickolas A. Painter	Norman
Derek L. Price, II	Norman
Justin L. Stafford	Norman
Sean A. Steele	Norman
Spencer A. Steele	Norman
Tuan Vu	Norman
Ross T. Ericsson	Pauls Valley
Christopher R. Satterfield	Spencer
Isaiah M. Farris	Sulphur
Dylan A. Owens	Weatherford

b. Application for Refund of Contributions:

<u>Name</u>	<u>City</u>
James K. Capps	Atoka
Joshua R. Whitney	Coweta
Casey Breshears	Idabel
Samuel W. Encinias	Lawton
David Gazaway	Noble
Brian Helkenberg	Nowata
James Nail	Purcell
Elizabeth A. Ali	Spencer
Stephen Brown	Spencer

Danyle L. Smith Stillwater
Brandon W. Sain Waurika

c. Terminate Deferred Option Plan to Begin Service Pension:

<u>Name</u>	<u>City</u>	<u>Eff. Date</u>
Harold R. Rumsey	Sapulpa	08/01/2016

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>
Keith G. Heskett	Claremore	09/01/2011	09/01/2016
David R. Houser	Durant	08/01/2013	08/01/2016
Daimon Alexander	Oklahoma City	08/01/2011	08/01/2016
Kim Davis	Oklahoma City	08/01/2011	08/01/2016
Donny R. Kidd	Oklahoma City	09/01/2011	09/01/2016
Carolyn Ash	Tulsa	09/01/2011	09/01/2016
Dwight K. Cole	Tulsa	09/01/2011	09/01/2016
Gregory D. Evans	Tulsa	09/01/2011	09/01/2016
Gary L. Gaster	Woodward	09/01/2011	09/01/2016
Mark R. Baker	Yukon	08/01/2011	08/01/2016
Andrew J. Johnson	Yukon	08/01/2011	08/01/2016

e. Application for Service Pension:

<u>Name</u>	<u>City</u>	<u>Eff. Date</u>
Peter J. Liimatta	Muskogee	08/01/2016

f. Application for Vested Benefit:

<u>Name</u>	<u>City</u>	<u>Eff. Date</u>
Roudy Rogers	Miami	02/06/2026
Deshayn B. Wilson	Muskogee	08/01/2022
La Tyrus Johnson	Nicholas Hills	02/11/2024

g. Death Benefit:

<u>Name</u>	<u>City</u>
Dolores F. Bradley, widow of Edward D. Bradley	Jenks
Keene D. Isaac, widow of Donald R. Isaac	Oklahoma City
Linda L. Lehr, widow of John N. Lehr	Oklahoma City
Sharon K. Conner, widow of Donald J. Conner	Okmulgee
John Cochran, Personal Rep. of Dennis E. Cochran	Tulsa
Ann McDonald, Personal Rep. of Jeffrey Harrison	Tulsa

h. Continuation of Benefit:

<u>Name</u>	<u>City</u>
Dolores F. Bradley, widow of Edward D. Bradley	Jenks
Keene D. Isaac, widow of Donald R. Issaac	Oklahoma City
Linda L. Lehr, widow of John N. Lehr	Oklahoma City

- Sharon K. Conner, widow of Donald J. Conner Okmulgee
- i. Application for Monies Due the Estate from the System:

<u>Name</u>	<u>City</u>
John Cochran, Personal Rep. of Dennis E. Cochran	Tulsa
Ann McDonald, Personal Rep. of Jeffrey Harrison	Tulsa

 - j. Termination of Benefit:

<u>Name</u>	<u>City</u>
Dennis E. Cochran	Tulsa
Jeffrey Harrison	Tulsa

Motion by Craig Akard and second by Ryan Perkins for approval of applications for Police Deferred Option Plan, Participation, Service Pension, Refunds and Benefits. Ayes: Craig Akard, Tom Custer, Tony Davenport, Jim Keesee, Andy McPherson, Ryan Perkins, Rick Smith, W.B. Smith, Frank Stone, Jeff Pierce, and Tim Foley. Absent: Susan Knight and Brandy Manek. Motion Carried.

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SETH C. PARIS, MUSKOGEE – REQUEST TO RESCIND APPLICATION FOR VESTED BENEFIT APPROVED 10/21/2015 AND REQUEST TO APPROVE APPLICATION FOR REFUND OF CONTRIBUTIONS. BOARD TO TAKE APPROPRIATE ACTION AS DEEMED NECESSARY.

Motion by Tony Davenport and second by Andy McPherson to approve request to rescind Application for Vested Benefit approved 10/21/15 and approve Application for Refund of Contributions for Seth C. Paris, Muskogee. Ayes: Craig Akard, Tom Custer, Tony Davenport, Jim Keesee, Andy McPherson, Ryan Perkins, Rick Smith, W.B. Smith, Frank Stone, Jeff Pierce, and Tim Foley. Absent: Susan Knight and Brandy Manek. 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 July 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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TOWN OF CHOUTEAU – RESOLUTION TO AFFILIATE AND JOIN THE OKLAHOMA POLICE PENSION AND RETIREMENT SYSTEM. BOARD TO TAKE APPROPRIATE ACTION AS DEEMED NECESSARY.

Motion by Tony Davenport and second by Jim Keesee to approve the Town of Chouteau’s Resolution to Affiliate and Join the Oklahoma Police Pension and Retirement System. Ayes: Craig Akard, Tom Custer, Tony Davenport, Jim Keesee, Andy McPherson, Ryan Perkins, Rick Smith, W.B. Smith, Frank Stone, Jeff Pierce, and Tim Foley. Absent: Susan Knight and Brandy Manek. Motion Carried.

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CITY OF WAGONER – RESOLUTION TO AFFILIATE AND JOIN THE OKLAHOMA POLICE PENSION AND RETIREMENT SYSTEM. BOARD TO TAKE APPROPRIATE ACTION AS DEEMED NECESSARY.

Motion by Craig Akard and second by Jim Keesee to approve the City of Wagoner’s Resolution to Affiliate and Join the Oklahoma Police Pension and Retirement System. Ayes: Craig Akard, Tom Custer, Tony Davenport, Jim Keesee, Andy McPherson, Ryan Perkins, Rick Smith, W.B. Smith, Frank Stone, Jeff Pierce, and Tim Foley. Absent: Susan Knight and Brandy Manek. Motion Carried.

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ASSET CONSULTING GROUP – FINANCIAL CONSULTANT REPORT FOR MONTH ENDED JULY 31, 2016, QUARTERLY REPORT FOR QUARTER ENDED JUNE 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 July 31, 2016, a copy of which is attached as Exhibit “E”. As of July 31, 2016, the total Fund was approximately \$2,244,236,000.00. The one-year return net of fees for the total Fund is 0.86%.

Mr. Jason Pulos reviewed the Quarterly Report for the quarter ended June 30, 2016, a copy of which is attached as Exhibit “F”.

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ASSET CONSULTING GROUP –DISCUSSION AND POSSIBLE VOTE ON LIQUID ABSOLUTE RETURN MANAGER SEARCH FINALISTS AS RECOMMENDED BY ASSET CONSULTING GROUP. BOARD TO TAKE APPROPRIATE ACTION AS DEEMED NECESSARY.

Mr. Brad Davis reviewed the *Oklahoma Police Pension & Retirement System Liquid Absolute Return Fixed Income Search, August 17, 2016*, a copy of which is attached as Exhibit “G”.

Motion by Tom Custer and second by Jim Keesee to select BlackRock and Wellington Management Company for interviews. Ayes: Craig Akard, Tom Custer, Tony Davenport, Jim Keesee, Brandy Manek, Andy McPherson, Ryan Perkins, Rick Smith, W.B. Smith, Frank Stone, Jeff Pierce, and Tim Foley. Absent: Susan Knight. Motion Carried.

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LITIGATION REPORT – PROPOSED EXECUTIVE SESSION, IF DEEMED NECESSARY BY LEGAL COUNSEL TO DISCUSS DISCUSS CASE NO. CIV536013, IN RE SIENTRA, 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 OPPRS had concluded settlement on Fifth Street Finance Corporation. OPPRS received a \$14,050,000.00 all cash settlement which was about 15% recovery. He stated all the other cases were Status Quo.

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NEW BUSINESS

No New Business

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BOARD MEMBERS' REPORTS

Mr. W.B. Smith noted that all board members now had phones numbers through OPPRS.

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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 Pension Funding Forum
 - August 21-23, 2016 – New Haven CT
- OPFTEC
 - September 28-30, 2016 – Tulsa Renaissance Hotel
- 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

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DIRECTOR'S REPORT

Mr. Snyder stated the rules would be effective August 25, 2016 and auditors would be in the office another 2 1/2 weeks. He noted that the audit and actuary reports would be presented at the September board meeting, the October Managers Dinner would be at Mickey Mantles, and Judy Cong would be retiring 5/1/2017. Mr. Snyder discussed with the board the possibility of retaining a Legislative Consultant.

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**MOUNT LUCAS MANAGEMENT CORPORATION – PERFORMANCE AND PRODUCT UPDATE.
BOARD TO TAKE APPROPRIATE ACTION AS DEEMED NECESSARY.**

Mr. Ray Ix provided a brief update on the performance of Mount Lucas Management, a copy of which is attached as Exhibit "H."

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The meeting was adjourned at approximately 11:40am.

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.