

**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

JULY 20, 2016

The regular meeting of the Oklahoma Police Pension and Retirement Board was called to order by Chairman Jeff Pierce at approximately 10:00 a.m. on Wednesday, July 20, 2016, in the Board Room of the Oklahoma Police Pension and Retirement System.

MEMBERS PRESENT: Craig Akard, Tom Custer, Tony Davenport, Jim Keesee, Brandy Manek, 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; Sean Ruark, Pension Administration Officer; Deric Berousek, Chief Financial Officers; Kim Heaton, Attorney General's Office; Jason Pulos & Steve Ott, Asset Consulting Group; David Bross, Smolen, Smolen & Roytman; Patrick Boulden, City of Bixby; Chris Marx, Leon Richardson, & Sammy Suzuki, Alliance Bernstein; Paul Black & Mike Trigg, WCM Investment Management; and Craig Shaw & Kristin Burk, Harding Loevner

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

* Frank Stone left at 11:20am and Brandy Manek left at 12:56pm *

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HEARING: CASE NO. OPORB 15-05, MUNICIPALITY APPLICATION FOR DISABILITY BENEFIT IN LINE OF DUTY FOR SHAD RHAMES, BIXBY.

Mr. Shad Rhames was not present but was represented by legal counsel; David Bross of Smolen, Smolen & Roytman.

Mr. Steven Snyder introduced Exhibits 1-4:

- OPORS Exhibit #1 - Notice of Continuation of Hearing, dated June 16, 2016
- OPORS Exhibit #2 – Municipality Application for Disability Benefit In Line of Duty, dated June 12, 2015
- OPORS Exhibit #3 Report from Dr. John Munneke, dated April 7, 2016 (5 pages)
- OPORS Exhibit #4 – Letter from Dr. John Munneke, dated April 18, 2016

Mr. David Bross addressed the board and ask that the board send Mr. Rhames to another doctor for a second opinion.

Mr. Snyder questioned why Mr. Rhames refused to sign a Medical Records Release. Mr. Bross stated he was not aware that he had refused to sign the release and advised he could get one signed ASAP.

Motion by Craig Akard and second by Rick Smith to enter into Executive Session (at approx. 10:19 am). Ayes: Craig Akard, Tom Custer, Tony Davenport, Jim Keesee, Brandy Manek, Rick Smith, W.B. Smith, Frank Stone, Jeff Pierce, and Tim Foley. Absent: Susan Knight, Andy McPherson, and Ryan Perkins. Motion Carried.

Motion by Jim Keesee and second by Tony Davenport to enter into Open Session (at approx. 10:30 am). Ayes: Craig Akard, Tom Custer, Tony Davenport, Jim Keesee, Brandy Manek, Rick Smith, W.B. Smith, Frank Stone, Jeff Pierce, and Tim Foley. Absent: Susan Knight, Andy McPherson, and Ryan Perkins. Motion Carried.

Motion by Craig Akard and second by W.B. Smith to continue OPPRB 15-05 until OPPRS can obtain a signed release and list of treating physicians from Mr. Rhames. The signed release and list of treating physician will be provided within 10 calendar days of July 20, 2016. The records will be obtained and sent to Dr. John Munneke for evaluation. If the signed release and list of treating physicians is not supplied within 10 calendar days, Dr. Munneke’s report will stand as-is. Ayes: Craig Akard, Tom Custer, Tony Davenport, Jim Keesee, Brandy Manek, Rick Smith, W.B. Smith, Frank Stone, Jeff Pierce, and Tim Foley. Absent: Susan Knight, Andy McPherson, and Ryan Perkins. Motion Carried.

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APPROVAL OF MINUTES OF REGULAR BOARD MEETING HELD JUNE 15, 2016

Motion by W.B. Smith and second by Tom Custer to approve the Minutes of the Regular Board Meeting held June 15, 2016. Ayes: Craig Akard, Tom Custer, Tony Davenport, Jim Keesee, Brandy Manek, W.B. Smith, Frank Stone, Jeff Pierce, and Tim Foley. Abstain: Rick Smith. Absent: Susan Knight, Andy McPherson, 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>
Nicholas B. Denewellis	Ardmore
Parker J. Green	Ardmore
Bart T. Smith	Ardmore
Ernesto Calamateo	Choctaw
Robert B. Wallace	Frederick
Larry H. Smith, Jr.	Glenpool
Payton K. Patton	Guymon
Michael D. Martin	Hominy
Adam B. Laster	Nichols Hills
Dustin T. Clark	Okmulgee
Kyle R. Masters	Sapulpa
Timothy J. Benham	Shawnee
Logan S. Weaver	Shawnee
Korbin T. Williams	Shawnee
Dallas L. Kirby	Valley Brook
Carson W. Cabaniss	Weatherford

b. Application for Refund of Contributions:

<u>Name</u>	<u>City</u>
Christopher Tucker	Lawton
Randy L. Ramming	Lindsay
George A. Anaya	Norman
Derek J. Geiges	Norman
Steven N. Bousman	Oklahoma City
Ryan Gibson	Oklahoma City
S. Scott Gibbons	Piedmont
Brian Wilcox	Tecumseh
Michael J. Garcia	Tonkawa
Brian D. Hendrix	Tulsa
Jessi J. Hilliard	Tulsa
Jacob Pool	Weatherford

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>
Richard P. Shea	Broken Arrow	08/01/2011	08/01/2016
Mike Kelly	Miami	06/01/2015	06/01/2016
Donnell Smith	Midwest City	07/01/2011	07/01/2016
Michael V. Mayer	Oklahoma City	07/01/2011	07/01/2016
Warden K. Webb	Oklahoma City	05/01/2012	07/01/2016
Michael Brown	Tulsa	07/01/2015	09/01/2016
Chris Elliott	Tulsa	08/01/2011	08/01/2016
Philip E. Snow	Tulsa	09/01/2012	08/01/2016
Theodore J. Umbarger	Tulsa	09/01/2011	09/01/2016
Jodi Walters	Tulsa	05/01/2016	08/01/2016

d. Application for Service Pension:

<u>Name</u>	<u>City</u>	<u>Eff. Date</u>
Daniel E. Meyer	Altus	08/01/2016
Mark Braley	Norman	09/01/2016

e. Death Benefit:

<u>Name</u>	<u>City</u>
Eva L. Moses, widow of Verna E. Moses, Jr.	Muskogee

f. Continuation of Benefit:

<u>Name</u>	<u>City</u>
Eva L. Moses, widow of Verna E. Moses, Jr.	Muskogee

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

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MATTHEW J. DOWNING, OKLAHOMA CITY – REQUEST TO RESCIND APPLICATION FOR VESTED BENEFIT APPROVED 09/16/15 AND REQUEST TO APPROVE APPLICATION FOR REFUND OF CONTRIBUTIONS. BOARD TO TAKE APPROPRIATE ACTION AS DEEMED NECESSARY.

Motion by W.B. Smith and second by Jim Keesee to approve Request to Rescind Application for Vested Benefit approved 9/16/15 for Matthew Downing and approve Application for Refund of Contributions. Ayes: Craig Akard, Tom Custer, Tony Davenport, Jim Keesee, Brandy Manek, Rick Smith, W.B. Smith, Frank Stone, Jeff Pierce, and Tim Foley. Absent: Susan Knight, Andy McPherson, 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 "A"; the Account #8557A, Fund Expenditures (receipts and disbursements), report for June 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 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 June 30, 2016, a copy of which is attached as Exhibit "E". As of June 30, 2016, the total Fund was approximately \$2,195,220,000.00. The one-year return net of fees for the total Fund is -0.61%.

Motion by W.B. Smith and second by Jim Keesee to approve the rate of return of -0.61%. Ayes: Craig Akard, Tom Custer, Tony Davenport, Jim Keesee, Rick Smith, W.B. Smith, Jeff Pierce, and Tim Foley. Absent: Susan Knight, Brandy Manek, Andy McPherson, Ryan Perkins, and Frank Stone. Motion Carried.

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PRESENTATIONS FOR EMERGING MARKETS MANAGER

- A. ALLIANCE BERNSTEIN (a copy of which is attached as Exhibit F)
- B. WCM INVESTMENT MANAGEMENT (a copy of which is attached as Exhibit G)
- C. HARDING LOEVNER (a copy of which is attached as Exhibit H)

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ASSET CONSULTING GROUP – DISCUSSION AND POSSIBLE VOTE WHEATHER TO HIRE EMERGING MARKET EQUITY MANAGER. BOARD TO TAKE APPROPRIATE ACTION AS DEEMED NECESSARY.

Mr. Steve Ott reviewed the *Oklahoma Police Pension & Retirement System Emerging Market Search, July 20, 2016*, a copy of which is attached as Exhibit "I".

Motion by W.B. Smith and second by Tom Custer to hire Alliance Bernstein as Emerging Market Equity Manager. Ayes: Craig Akard, Tom Custer, Tony Davenport, Jim Keesee, Brandy Manek, Rick Smith, W.B. Smith, Jeff Pierce, and Tim Foley. Absent: Susan Knight, Andy McPherson, Ryan Perkins, and Frank Stone. Motion Carried.

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DISCUSSION AND POSSIBLE VOTE REGARDING FINAL AVERAGE SALARY STATUTE AND RULES RELATED THERETO. BOARD TO TAKE APPROPRIATE ACTION AS DEEMED NECESSARY.

Mr. Steve Snyder advised that it would take a statute change in order to change the retirement calculations when officers had been furloughed at some point within their highest consecutive 30 months. He stated he had not heard from Mr. Leaman regarding the issue.

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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 W.B. Smith and second by Craig Akard to enter into Executive Session (at approx. 12:54 pm). Ayes: Craig Akard, Tom Custer, Tony Davenport, Jim Keesee, Brandy Manek, Rick Smith, W.B. Smith, Jeff Pierce, and Tim Foley. Absent: Susan Knight, Andy McPherson, Ryan Perkins, Frank Stone. Motion Carried.

Motion by Jim Keesee and second by Tom Custer to enter into Open Session (at approx. 12:56 pm).). Ayes: Craig Akard, Tom Custer, Tony Davenport, Jim Keesee, Brandy Manek, Rick Smith, W.B. Smith, Jeff Pierce, and Tim Foley. Absent: Susan Knight, Andy McPherson, Ryan Perkins, Frank Stone. Motion Carried.

Motion by W.B. Smith and seconded by Craig Akard to retain Scott+Scott for the Bank of America N.A. case and Grant & Eisenhofer in the Starz case. Ayes: Craig Akard, Tom Custer, Tony Davenport, Jim Keesee, Brandy Manek, Rick Smith, W.B. Smith, Jeff Pierce, and Tim Foley. Absent: Susan Knight, Andy McPherson, Ryan Perkins, Frank Stone. Motion Carried.

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DISCUSSION AND POSSIBLE VOTE ON WHETHER TO RETAIN WEISER LAW FIRM AS SECURITIES LITIGATION MONITORING FIRM. BOARD TO TAKE APPROPRIATE ACTION AS DEEMED NECESSARY.

Motion by Tony Davenport and seconded by Tom Custer to retain Weiser Law Firm. Ayes: Craig Akard, Tom Custer, Tony Davenport, Jim Keesee, Rick Smith, W.B. Smith, Jeff Pierce, and Tim Foley. Absent: Susan Knight, Brandy Manek, Andy McPherson, Ryan Perkins, and Frank Stone. 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).

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); 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 Fifth Street had been resolved and all other cases were Status Quo.

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NEW BUSINESS

No New Business

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BOARD MEMBERS' REPORTS

No Board Members Reports

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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
- IFEBP Annual Conference & CAPPP Part I
 - November 13 - November 16, 2016 – Orlando, FL

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DIRECTOR'S REPORT

Mr. Snyder advised Ray Ix would be here in August for his presentation and lunch. He also advised that auditors would be in the office from August 8 – September 2.

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ELECTION OF CHAIRMAN OF THE BOARD PURSUANT TO 11 O.S. § 50-103.1(F).

Nominations for Chairman were opened to the Board.

Jim Keesee nominated W.B. Smith and Rick Smith seconded the nomination.

Hearing no additional nominations, W.B. Smith was declared Chairman by acclamation.

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ELECTION OF VICE CHAIRMAN OF THE BOARD PURSUANT TO 11 O.S. § 50-103.1(F).

Nominations for Vice Chairman were opened to the Board.

W.B. Smith nominated Jim Keesee and Rick Smith seconded the nomination.

Hearing no additional nominations, Jim Keesee was declared Vice Chairman by acclamation.

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The meeting was adjourned at approximately 1:05pm.

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.