

## MINUTES

The Oklahoma Firefighters Pension and Retirement Board met January 18, 2019, in the Salvation Army Building at 6601 Broadway Ext., Suite 100, Oklahoma City, OK. Written notice was sent to Board members and interested parties, posted 24 hours before the meeting and filed with the Secretary of State in compliance with the Open Meeting Laws.

Chairman Dereck Cassady called the meeting to order.

Members Present: Dereck Cassady, Matt Lay, Mike Kelley, Eric Harlow, Cliff Davidson, Scott Vanhorn, Ron Hunter, Juan Rodriguez, Buddy Combs, and Vacant

Others: Chase Rankin, Executive Director; James Reynolds, Assistant Director; Terri Williams, Executive Secretary; Marc Edwards, Legal Counsel

Visitors: Troy Brown, Tim Nash and Tony Kay, Andco; Ted Aronson, AJO; Craig Auwaerter, Rui Cardoso, Beutel Goodman; Peter Latara, Kevin Collins, and Ted Doyle, ALGER

Absent: Janet Kohls, Dana Cramer and Brandy Manek

### **APPROVAL/MINUTES DATED NOVEMBER DECEMBER 21, 2018:**

Motion was made by Mr. Kelley and seconded by Mr. Vanhorn to approve the minutes dated December 21, 2018. Ayes: Messrs. Lay, Kelley, Cassady, Vanhorn, Davidson, Combs, Hunter, Harlow and Rodriguez. Nays: None. Motion carried.

### **REQUEST APPROVAL/CONSENT AGENDA, A COPY IS ATTACHED:**

Motion was made by Mr. Kelly and seconded by Mr. Combs to approve the Consent Agenda dated December 21, 2018. Ayes: Messrs. Lay, Kelley, Cassady, Vanhorn, Rodriguez, Combs, Harlow, Hunter and Davidson. Nays: None. Motion carried.

**ARONSON & PARTNERS/TED ARONSON:**

Mr. Aronson gave a presentation for Aronson & Partners.

	3 Months Ending <u>12/31/2018</u>	1 Year Ending <u>12/31/2018</u>	3 Years Ending <u>12/31/2018</u>
Aronson & Partners	-14.75%	-11.44%	4.36%
Russell 1000 Value	-11.72%	-8.27%	6.95%

**BEUTEL GOODMAN/CRAIG AUWAERTER & RUI CARDOSO:**

Mr. Auwaerter and Mr. Cardoso gave a presentation for Beutel Goodman.

	3 Months Ending <u>12/31/2018</u>	1 Year Ending <u>12/31/2018</u>	Since Inception <u>05/01/2016</u>
Beutel Goodman	-9.98%	-7.61%	9.69%
Russell 1000 Value	-11.72%	-8.27%	6.36%

**ALGER/PETER LATARA, KEVIN COLLINS & TED DOYLE:**

Mr. Latara Mr. Collins, and Mr. Doyle gave a presentation for Alger.

	3 Months Ending <u>12/31/2018</u>	1 Year Ending <u>12/31/2018</u>	3 Years Ending <u>12/31/2018</u>
Fred Alger	-15.12%	0.60%	10.61%
Russell 1000 Growth	-15.89%	-1.51%	11.15%

**&CO CONSULTING/TIM NASH & TONY KAY:**

**1. Presenting Manager Review.**

Mr. Nash and Mr. Kay reviewed the presenting managers to the Board.

**INVESTMENT COMMITTEE/MIKE KELLEY - CHAIRMAN:**

1. Review Investment Performance.

	3 Months Ending <u>12/31/2018</u>	1 Year Ending <u>12/31/2018</u>	3 Years Ending <u>12/31/2018</u>
Total Fund	-8.89%	-2.46%	7.53%
Policy	-8.52%	1.37%	0.64%

2. Review PIMCO Private Income Investment Strategy.

Motion was made by Mr. Kelley and seconded by Mr. Lay to commit \$75 million to PIMCO Private Income Investment Strategy. Ayes: Messrs. Cassady, Kelley, Davidson, Lay, Combs, Harlow, Hunter, Vanhorn, Rodriquez. Naves: None. Motion carried

3. Review AFT as an approved Securities Litigation Manager.

No action was taken on this item.

4. Old Business:

5. New Business:

**MARC EDWARDS/LEGAL COUNSEL REPORT. DISCUSSION, VOTE, AND ANY OTHER NECESSARY ACTION TO IMPLEMENT DISCUSSION AND VOTE:**

1. In re: FX Litigation, Case No. 13-cv-07789 (SDNY) (Scott & Scott)
2. Avila, et al. v Lifelock, Inc. et al.: Case No. 15-cv-01398-DKD (USDC District of Arizona)
3. OFP et a; v. Corbat et al and Citigroup, Inc., Case No. 12151-VCG< (Chancery Court of State of Delaware) (Grant)
4. Murphy v. Precision Castparts Corp. et al.: Case No. 16-cv-00521-SB, (District of Oregon, Portland) (3) (Labaton)

Mr. Edwards reported that Mr. Rankin would be giving a deposition in San Francisco, January 31, 2019.

5. In re: Finisar Corporation Securities Litigation; Case No. 5:11-CV-01252-EJD, (USDC ND Calif) (AFT)

6. Lehigh County Employees Retirement System v. Novo Nordisk A/S, Case No. 17-CV-00209 (USDC, N.J. (BLBG))
7. Hall v. Rent-A-Center et al.; Case No. 4:16-cv-00978; (USDC ED of Texas) (Labaton)

Mr. Edwards reported the federal court approved the settlement. He said the final approval will be May, 2019.

8. United Health Group, Inc. Recommendation for Derivative Action (Cohen Milstein)
9. Eric Weiner, et al., v. Tivity Health Inc., et al: Case No 17-cv-1469 (Middle District of Tennessee, Nashville)
10. OFP, et al v Banco Santander S.A. et al., Case No. 18-cv-02830 (SDNY)
11. PG & E Derivative Action (Berman).

Mr. Edwards reported that PG&E had filed for bankruptcy.

12. Marder v. Campbell Soup Company, et al: Case No. 18-cv-14385, (USDC N.J.) (Kessler)

Mr. Edwards reported that the Pension System will be the lead in this case.

13. Mulquin V. Nektar Therapeutics, et al; Case No. 18-cv-06607 (USDC N Calif.) (Labaton)

Mr. Edwards reported that the Pension System is filing jointly with El Paso and there is a motion for lead plaintiff is pending.

14. Garrett et al. v. OFP Board Case No. CV-18-1327, (OK County D. Ct.)
15. Ruther v. OFP; Case No. CJ-2018-4340, (OK County D. Ct.)
16. Report on the current status of all other litigation involving the Pension System.

**GLEN E. HASH/BROKEN ARROW - APPLICATION FOR “DISABILITY IN THE LINE OF DUTY” PENSION, EFFECTIVE JANUARY 1, 2019:**

Motion was made by Mr. Vanhorn and seconded by Mr. Lay to modify the Application for “Disability in the Line of Duty”, to “Service”, effective January 1, 2019. Ayes: Messrs. Kelley, Cassidy, Vanhorn, Davidson, Lay, Harlow, Hunter, Combs and Rodriguez. Nays: None. Motion carried.

**AARON J. BUNCH/NEWCASTLE – APPLICATION FOR “DISABILITY IN THE LINE OF DUTY” PENSION, EFFECTIVE JANUARY 9, 2019:**

Motion was made by Mr. Lay and seconded by Mr. Harlow to approve the Application for “Disability in the Line of Duty”, effective January 9, 2019. Ayes: Messrs. Kelley, Cassady, Vanhorn, Davidson, Lay, Harlow, Combs, Hunter and Rodriguez. Naves: None. Motion carried.

**KEVIN D. ARMER - APPLICATION FOR “DISABILITY IN THE LINE OF DUTY” PENSION, EFFECTIVE JANUARY 1, 2019:**

Motion was made by Mr. Kelley and seconded by Mr. Lay to modify the Application for “Disability in the Line of Duty”, to “Service”, effective January 1, 2019. Ayes: Messrs. Kelley, Cassady, Vanhorn, Davidson, Harlow, Hunter, Combs, Lay, and Rodriguez. Naves: None. Motion carried.

**JIMMY W. SOHL/TULSA APPLICATION FOR “DISABILITY IN THE LINE OF DUTY” PENSION, EFFECTIVE JANUARY 1, 2019:**

Motion was made by Mr. Lay and seconded by Mr. Harlow to approve the Application for “Disability in the Line of Duty”, to “Service”, effective January 1, 2019. Ayes: Messrs. Kelley, Cassady, Vanhorn, Davidson, Harlow, Hunter, Combs, Lay, and Rodriguez. Naves: None. Motion carried.

**JAMES BALES/TULSA – REQUEST TO MODIFY PENSION FROM “SERVICE” TO “DISABILITY IN THE LINE OF DUTY” PENSION:**

No action taken.

**ROBERT PETERS/TULSA - REQUEST TO MODIFY PENSION FROM “SERVICE” TO “DISABILITY IN THE LINE OF DUTY”:**

Motion was made by Mr. Lay and seconded by Mr. Combs to approve the Request of Mr. Peters to modify from “Service” to “Disability in the Line of Duty”. Ayes: Naves: Cassady, Kelley, Davidson, Vanhorn, Combs, Lay, Harlow, Hunter and Rodriguez. Motion carried.

**RECEIVE & FILE:**

1. Insurance Premium Tax - \$22,051,789.20 – January 2019

Motion was made by Mr. Lay and seconded by Mr. Vanhorn to approve the receive and file as listed above. Ayes: Messrs. Kelley, Cassady, Vanhorn, Davidson, Combs, Harlow, Hunter, Lay, and Rodriguez. Nays: None. Motion carried.

**CHASE RANKIN/EXECUTIVE DIRECTOR REPORT:**

Mr. Rankin reported that it was an honor to be able to set with the fire service for the inauguration of the new Governor. Mr. Rankin said Cliff Davidson's daughter was an employee of Governor Stitt.

Mr. Rankin reported that he had a meeting with the new Insurance Commissioner as well as Buddy Combs, which is the Insurance Commissioner's designee.

Mr. Rankin introduced the Pension Systems new CEO, Tim Vanhorn. Mr. Rankin said Mr. Vanhorn had served as lead auditor for the Pension for 12 years.

**DISCUSSION ON TRAVEL REIMBURSED BY THE SYSTEM. BOARD TO TAKE APPROPRIATE ACTION:**

**QUESTIONS & COMMENTS FROM BOARD MEMBERS & AUDIENCE:**

Mr. Scott Vanhorn spoke about performance base fees for the managers and credited the consultants for the reduction in fees because of this.

Mr. Rankin said he would request &Co to present an analysis report next month.

**OLD BUSINESS:**

**NEW BUSINESS:**

**NEXT MEETING DATE:**

The Oklahoma Firefighters Pension and Retirement Board will meet February 15, 2019 at 8:30 A.M. at the Salvation Army Building, 6601 Broadway Extension, Ste. 100, Oklahoma City, OK.

**ADJOURNMENT:**

Mr. Cassady adjourned the Board meeting at 10:30 A.M.

Submitted by Terri L. Williams, Executive Secretary.

