

AMENDED MINUTES

The Oklahoma Firefighters Pension and Retirement Board met February 17, 2012 in the Lincoln Plaza Office Building at 4545 N. Lincoln Blvd., 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 David Thompson called the meeting to order.

Members Present: David Thompson, Scott Vanhorn, Dana Cramer, Jim Long, Casey Morrison, Bert Norton, Paul Gallahar, Janet Kohls, Anita Breen arriving at 8:45 A.M. and Frank Stone arriving at 8:55 A.M.

Others: Robert Jones, Executive Director; James Reynolds, Assistant Director; Duane Michael, Assistant Director; Terri Williams, Executive Secretary; Marc Edwards, General Counsel

Visitors: Jason Pulos, Asset Consulting Group; Patmon Malcom & Chris Hovis, Earnest Partners; Cinda Hughes & Kristin Harper, Lord & Abbett; Michelle Robbins, River Road Asset Management

Absent: Gerald Garrett, Doug Jacobson, and Brandy Manek

APPROVAL/MINUTES DATED JANUARY 20, 2012:

Motion was made by Mr. Cramer and seconded by Mr. Vanhorn to approve the minutes dated January 20, 2012. Ayes: Messrs. Thompson, Cramer, Long, Vanhorn, Morrison, Kohls, Gallahar, and Norton. Nays: None. Motion carried.

EARNEST PARTNERS/PATMON MALCOM & CHRIS HOVIS:

Mr. Malcom & Mr. Hovis gave a presentation for Earnest Partners.

	3Months Ending <u>01/31/2011</u>	1 Year Ending <u>01/31/2011</u>	3 Years Ending <u>01/31/2011</u>
Earnest Partners	8.1%	1.89%	23.3%
Russell 2500 Value	7.1%	0.6%	22.6%

LORD & ABBETT/CINDA HUGHES & KRISTIN HARPER:

Ms. Hughes & Ms. Harper gave a presentation for Lord & Abbett.

	3 Months Ending <u>01/31/2011</u>	1 Year Ending <u>01/31/2011</u>	3 Years Ending <u>01/31/2011</u>
Lord & Abbett	3.2%	N/A	N/A
Russell 2000 Growth	6.7%	4.9%	25.2%

RIVER ROAD ASSET MANAGEMENT/MICHELLE ROBBINS:

Ms. Robbins gave a presentation for River Road Asset Management.

	3 Months Ending <u>01/31/2011</u>	1 Year Ending <u>01/31/2011</u>	3 Years Ending <u>01/31/2011</u>
River Road Asset Management	6.2%	5.2%	18.5%
Russell 2000 Value	8.1%	0.7%	20.9%

ASSET CONSULTING GROUP/JASON PULOS:

1. Presenting Manager Review.

Mr. Pulos reviewed the presenting managers to the Board.

INVESTMENT COMMITTEE/FRANK STONE – CHAIRMAN:

1. Review Monthly Investment Performance.

Mr. Pulos reviewed the monthly investment performance.

	3 Months Ending <u>01/31/2011</u>	1 Year Ending <u>01/31/2011</u>	3 Years Ending <u>01/31/2011</u>
Total Fund	2.8%	2.7%	12.0%
Policy Benchmark	3.6%	4.5%	14.9%

2. Review current status of Investment Management search.

Mr. Pulos reported the receipt of RFP's for both the international equity and emerging market equity searches. He stated that the emerging market equity evaluation will be available for review at the March meeting.

REQUEST APPROVAL/CONSENT AGENDA, A COPY IS ATTACHED:

Motion was made by Mr. Cramer and seconded by Mr. Norton to approve the Consent Agenda dated February 17, 2012. Ayes: Messrs. Thompson, Vanhorn, Long, Morrison, Cramer, Norton, Gallahar, Stone, Breen, and Kohls. Nays: None. Motion carried.

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

1. Hwang vs. Smith & Wesson Holding Corp., et. al, USDC of Massachusetts, Case No. 07-CV-30238.
2. Minneapolis Firefighters Relief Association v. Medtronic, Inc. et el, USDC, Minnesota, Case No. 0:08-CV-06324
3. Strayer Education.
4. Capella Education. (AFT) (Waddell)
5. Finisar Case. (AFT) (Waddell)
6. Miller Energy Resources (Grant & Eisenhoffer representatives)

Mr. Edwards reported that this case was still pending.

7. Greg Young vs. Pacific Biosciences of CA, Inc., et al.
8. Oklahoma Firefighters Pension & Retirement System v. Kevin R. Brine, et al and Delphi Financial Group, Inc., et al
9. Discussion of potential federal securities claims that me be asserted against the Student Loan Corporation and authorization to take appropriate action.
10. Hoppaugh v. K12, Inc., 12-cv-00103 CMH/IDD (E.D. Va Jan 30, 2012)

Mr. Edwards reported that he will be giving recommendation for 5 firms. Mr. Edwards said April 2, 2012 is the deadline and he would discuss this issue more on the March agenda.

11. In re Lehman Brothers Equity/Debt Securities Litigation, 08-cv-5523-LAK – Case No. 09-MD-2017 (LAK)

Mr. Edwards presented the case as it relates to Ernst & Young, the independent accountant to Lehman Brothers.

Motion was made by Mr. Stone and seconded by Mr. Cramer to participate as plaintiff in class certification regarding the Lehman Brothers action as it affects Ernst & Young. Ayes: Messrs. Thompson, Vanhorn, Breen, Stone, Cramer, Norton, Long, Morrison, Gallahar, and Kohls. Nays: None. Motion carried.

12. Report on the current status of all other litigation involving the Pension System.

Mr. Edwards said there was nothing else to report.

REPORT ON ACTION RELATED TO CITY OF HENRYETTA AND CONTINUING CLAIM FOR ADDITIONAL CREDITED SERVICE OF CITY MANAGER SERVING AS FIRE MARSHAL:

Mr. Jones presented the current situation regarding the City Manager of Henryetta attempting to establish continuing credited service as a firefighter with the active cooperation of the City.

Motion was made by Mr. Long and seconded by Mr. Cramer to take legal action against the City of Henryetta related to the City manager's alleged service as a firefighter. Ayes: Messrs. Thompson, Vanhorn, Breen, Stone, Cramer, Norton, Long, Morrison, Gallahar, and Kohls. Nays: None. Motion carried.

JOHN TILGHMAN/JENKS – APPLICATION FOR “DISABILITY IN THE LINE OF DUTY” PENSION, EFFECTIVE FEBRUARY 1, 2012:

Motion was made by Mr. Long and seconded by Mr. Norton to modify the Application for “Disability in the Line of Duty”, to “Service”, effective February 1, 2012. Ayes: Messrs. Thompson, Vanhorn, Long, Morrison, Kohl, Stone, Cramer, Norton, Breen and Gallahar. Nays: None. Motion carried.

BRYANT GANTTER/NICOMA PARK - APPLICATION FOR “DISABILITY IN THE LINE OF DUTY” PENSION, EFFECTIVE OCTOBER 28, 2010:

Motion was made by Mr. Garrett and seconded by Mr. Morrison to approve the Application for “Disability in the Line of Duty”, effective October 28, 2010. Ayes: Messrs. Thompson, Vanhorn, Long, Morrison, Kohls, Stone, Cramer, Norton, Breen, and Gallahar. Nays: None. Motion carried.

MARK A. COCHELL/OKLAHOMA CITY – APPLICATION FOR “DISABILITY IN THE LINE OF DUTY” PENSION, EFFECTIVE JANUARY 1, 2012:

Motion was made by Mr. Norton and seconded by Mr. Vanhorn to approve the Application for “Disability in the Line of Duty”, effective January, 2012. Ayes: Messrs. Thompson, Vanhorn, Long, Morrison, Kohls, Stone, Cramer, Norton, Breen, and Gallahar. Naves: None. Motion carried.

CARLA S. ROBERSON/OKLAHOMA CITY – APPLICATION FOR “DISABILITY IN THE LINE OF DUTY” PENSION, EFFECTIVE FEBRUARY 1, 2012:

Motion was made by Mr. Norton and seconded by Mr. Vanhorn to approve the Application for “Disability in the Line of Duty”, effective February 1, 2012. Ayes: Messrs. Thompson, Vanhorn, Long, Morrison, Kohls, Stone, Cramer, Norton, Breen and Gallahar. Naves: None. Motion carried.

VERNON J. TENNILL/OKLAHOMA CITY – APPLICATION FOR “DISABILITY IN THE LINE OF DUTY” PENSION, EFFECTIVE FEBRUARY 1, 2012:

Motion was made by Mr. Cramer and seconded by Mr. Norton to approve the Application for “Disability in the Line of Duty”, effective February 1, 2012. Ayes: Messrs. Thompson, Vanhorn, Long, Morrison, Kohls, Stone, Cramer, Norton, Breen and Gallahar. Naves: None. Motion carried.

DANIEL D. THOMPSON/OKLAHOMA CITY - APPLICATION FOR “DISABILITY IN THE LINE OF DUTY, EFFECTIVE FEBRUARY 1, 2012:

Motion was made by Mr. Norton and seconded by Mr. Vanhorn to modify the Application for “Disability in the Line of Duty”, to “Service” effective February 1, 2012. Messrs. Thompson, Vanhorn, Stone, Long, Morrison, Manek, Cramer, Norton, Gallahar, Breen, and Kohls. Naves: None. Motion carried.

ROBERT L. WILLIS/OKLAHOMA CITY – APPLICATION FOR “DISABILITY IN THE LINE OF DUTY, EFFECTIVE FEBRUARY 1, 2012:

Motion was made by Mr. Cramer and seconded by Mr. Norton to approve the Application for “Disability in the Line of Duty”, effective February 1, 2012. Ayes: Messrs. Thompson, Vanhorn, Long, Morrison, Manek, Cramer, Norton, Gallahar, Breen, and Kohls. Naves: Stone. Motion carried.

SHAWN A. CLASSEN/ORION – APPLICATION FOR “DISABILITY IN THE LINE OF DUTY”, EFFECTIVE JANUARY 1, 2012:

Motion was made by Mr. Vanhorn and seconded by Mr. Long to approve the Application for “Disability in the Line of Duty”, effective January 1, 2012. Ayes: Messrs. Thompson, Vanhorn, Stone, Long, Morrison, Manek, Cramer, Norton, Gallahar, Breen, and Kohls. Nays: None. Motion carried.

JAMES D. CASEBEER/TULSA – APPLICATION FOR “DISABILITY IN THE LINE OF DUTY”, EFFECTIVE FEBRUARY 1, 2012:

Motion was made by Mr. Vanhorn and seconded by Mr. Norton to approve the Application for “Disability in the Line of Duty”, effective February 1, 2012. Ayes: Messrs. Thompson, Vanhorn, Stone, Long, Morrison, Manek, Cramer, Norton, Gallahar, Breen, and Kohls. Nays: None. Motion carried.

KEVIN A. GILLIAM/TULSA – APPLICATION FOR “DISABILITY IN THE LINE OF DUTY”, EFFECTIVE FEBRUARY 1, 2012:

Motion was made by Mr. Gallahar and seconded by Mr. Vanhorn to modify the Application for “Disability in the Line of Duty” to “Service”, effective February 1, 2012. Ayes: Messrs. Thompson, Vanhorn, Stone, Long, Morrison, Manek, Cramer, Norton, Gallahar, Breen, and Kohls. Nays: None. Motion carried.

DOUGLAS B. MILLS/TULSA – APPLICATION FOR “DISABILITY IN THE LINE OF DUTY”, EFFECTIVE FEBRUARY 1, 2012:

Motion was made by Mr. Long and seconded by Mr. Vanhorn to modify the Application for “Disability in the Line of Duty” to “Service”, effective February 1, 2012. Ayes: Messrs. Thompson, Vanhorn, Stone, Long, Morrison, Manek, Cramer, Norton, Gallahar, Breen, and Kohls. Nays: None. Motion carried.

TOMMY P. MITTS/TULSA – APPLICATION FOR “DISABILITY IN THE LINE OF DUTY”, EFFECTIVE FEBRUARY 1, 2012:

Motion was made by Mr. Long and seconded by Mr. Norton to modify the Application for “Disability in the Line of Duty” to “Service”, effective February 1, 2012. Ayes: Messrs. Thompson, Vanhorn, Stone, Long, Morrison, Manek, Cramer, Norton, Gallahar, Breen, and Kohls. Nays: None. Motion carried.

MITCH PARNELL/TULSA – APPLICATION FOR “DISABILITY IN THE LINE OF DUTY”, EFFECTIVE FEBRUARY 1, 2012:

Motion was made by Mr. Gallahar and seconded by Mr. Vanhorn to modify the Application for “Disability in the Line of Duty to “Service”, effective February 1, 2012. Ayes: Messrs. Thompson, Vanhorn, Stone, Long, Morrison, Manek, Cramer, Norton, Gallahar, Breen, and Kohls. Naves: None. Motion carried.

BILLY BOYD/ALLEN – APPLICATION FOR “DISABILITY NOT IN THE LINE OF DUTY”, EFFECTIVE FEBRUARY 4, 2012:

Motion was made by Mr. Long and seconded by Mr. Cramer to approve the “Disability Not in the Line of Duty”, effective February 4, 2012. Ayes: Messrs. Thompson, Vanhorn, Stone, Long, Morrison, Manek, Cramer, Norton, Gallahar, Breen, and Kohls. Naves: None. Motion carried.

WILLIAM M. LUNSFORD/FAIRLAND – APPLICATION FOR “DISABILITY NOT IN THE LINE OF DUTY”, EFFECTIVE FEBRUARY 1, 2012:

Motion was made by Mr. Norton and seconded by Mr. Gallahar to approve the Application for “Disability in the Line of Duty”, effective February 1, 2012. Ayes: Messrs. Thompson, Vanhorn, Stone, Long, Morrison, Manek, Cramer, Norton, Gallahar, Breen, and Kohls. Naves: None. Motion carried.

The Board asked that Mr. Lunsford be notified to let him know he could possibly get a disability in the line of duty pension if had a letter from the doctor stating the stroke was related to his heart.

TRENTICE R. HAMM/LEXINGTON – APPLICATION FOR “DISABILITY NOT IN THE LINE OF DUTY”, EFFECTIVE NOVEMBER 24, 2011:

Mr. Vanhorn made a motion, seconded by Mr. Long to approve the Application for “Disability in the Line of Duty” pension, effective November 24, 2011. Ayes: Messrs. Thompson, Vanhorn, Stone, Long, Morrison, Manek, Cramer, Norton, Gallahar, Breen, and Kohls. Naves: None. Motion carried.

RECEIVE & FILE:

1. Realty Associates – Dividends - \$163,576.00 – February 2012

Motion was made by Mr. Cramer and seconded by Mr. Norton to approve the above listed receive and file. Ayes: Messrs. Thompson, Vanhorn, Long, Morrison, Kohls, Stone, Cramer, Norton, and Breen, Gallahar. Naves: None. Motion carried.

ROBERT JONES/EXECUTIVE DIRECTOR REPORT:

Mr. Jones reported that Berryhill Fire Department had a retired Tulsa firefighter serving as the Acting Fire Chief of the Berryhill Fire Department. Mr. Jones said he had sent a letter addressing the issue as well as returning the paperwork for their two new paid firefighters until this matter was taken care of.

Mr. Jones reported that there is a situation in Nowata similar to the situation with the City of Henryetta.

Mr. Jones reported on the following legislation:

1. House Bill 2320 – A pension bill that is estimated to cause the System to be 93 % funded in 30 years.
2. HJR 1091 – A Measure to amend the Constitution as relates to state administered pension systems. Final language is still being developed.
3. SB 1471 – Serves as the current session technical corrections bill for session related to this System.
4. HB 1086 of the previous session will require the system to pay all benefits by electronic transfer or debit card. He reported that the System will seek one year exception to the implementation of its provisions primarily related to paper checks for retired volunteer firefighters.

Mr. Stone said he was watching House Bill 2621, which eliminates important tax credits.

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

Motion was made by Mr. Long and seconded by Mr. Cramer to approve travel for Mr. Garrett, Mr. Long, Ms Kohls, Mr. Gallahar and Casey Morrison to attend the NCPERS Conference in New York City. Ayes: Messrs. Thompson, Vanhorn, Stone, Long, Morrison, Manek, Cramer, Norton, Gallahar, Breen, and Kohls. Nays: None. Motion carried.

Janet Kohls and Scott Vanhorn will be attending the Pension Bridge in San Francisco April 10, 11 and 12th.

QUESTIONS & COMMENTS FROM BOARD MEMBERS & AUDIENCE:

Mr. Norton asked if the Rules Committee could meet and discuss the presumption issue as related to retired members coming down with physical conditions many years after they retire.

Mr. Edwards said the Adhoc Committee had found a building in the Nichols Hills Executive Center that could be purchased as an investment, but there would need to be a statutory change to allow the System to office outside to Oklahoma City limits.

Mr. Gallahar asked if Mr. Edwards could review the joint resolution on funding.

Mr. Norton asked for a review of the travel policy that only allows three trips to be taken in one year and no more than five trips in two years. Mr. Norton said this is something that the Rules Committee should address.

NEW BUSINESS:

Mr. Long ask if an item could be put on the agenda for the tax attorney to give an explanation on the difference between disability Plan B disbursements as relates to tax withholding and taxability.

NEXT MEETING DATE:

The Oklahoma Firefighters Pension and Retirement Board will meet March 16, 2012 at 8:30 A.M. at the Lincoln Plaza Office Building at 4545 N. Lincoln Blvd., Oklahoma City, OK.

ADJOURNMENT:

Mr. Thompson adjourned the Board meeting at 12:16 P.M.

Submitted by Terri L. Williams, Executive Secretary.