

## MINUTES

The Oklahoma Firefighters Pension and Retirement Board met January 17, 2014 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 Casey Morrison called the meeting to order.

Members Present: Casey Morrison, Scott Vanhorn, Raanon Adams, Dana Cramer, Craig Freeman, Gerald Garrett, Jim Long, Mike Duncan, Jackie Carner, Janet Kohls, and Brandy Manek arriving at 9:00 A.M.

Others: James Reynolds, Assistant Director; Duane Michael, Assistant Director; Terri Williams, Executive Secretary; Chase Rankin, Controller; Marc Edwards, General Counsel

Visitors: Troy Brown and Tim Nash, Bogdahn Group; Jim Lobb, AJO; Marc Sydnor & Derick Coffey, Herndon Capital Management; and John Karl, WCM Investment

Absent: Frank Stone and Doug Jacobson

### **APPROVAL/MINUTES DATED DECEMBER 20, 2013:**

Motion was made by Mr. Long seconded by Mr. Vanhorn to approve the minutes dated December 20, 2013. Ayes: Messrs. Garrett, Morrison, Vanhorn, Freeman, Cramer, Adams, Long, Kohls, Duncan, and Carner. Naves: None. Motion carried.

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

Motion was made by Mr. Vanhorn and seconded by Mr. Carner to approve the Consent Agenda dated January 17, 2013. Ayes: Messrs. Morrison, Adams, Garrett, Carner, Vanhorn, Freeman, Cramer, Kohls, Duncan, and Long. Naves: None. Motion carried.

**Aronson + Partners:**

Mr. Lobb gave a presentation for Aronson + Partners.

	3 Months Ending <u>01/31/2013</u>	1 Year Ending <u>01/31/2013</u>	3 Years Ending <u>01/31/2013</u>
Aronson + Partners	10.90%	38.54%	18.56%
Russell 1000 Value	10.01%	32.53%	16.06%

**HERNDON CAPITAL MANAGEMENT/MARC SYDNOR & DERICK COFFEY:**

Mr. Sydnor and Mr. Coffey gave a presentation for Herndon Capital Management.

	3 Months Ending <u>01/31/2013</u>	1 Year Ending <u>01/31/2013</u>	3 Year Ending <u>01/31/2013</u>
Herndon Capital Management	12.17%	30.63%	24.16%
Russell 1000 Value	10.01%	32.53%	24.79%

**WCM INVESTMENT/JOHN KARL:**

Mr. Karl gave a presentation for WCM Investment.

	3 Months Ending <u>01/31/2013</u>	1 Year Ending <u>01/31/2013</u>
WCM International Equity	6.23%	22.99%
MSCI (EAFE)	5.71%	22.78%

**BOGDAHNS GROUP/ TROY BROWN & TIM NASH:**

**1. Presenting Manager Review.**

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

**INVESTMENT COMMITTEE/GERALD GARRETT – CHAIRMAN:**

**1. Review Performance.**

Mr. Brown and Mr. Nash reviewed the monthly investment performance.

	3 Months Ending <u>01/31/2013</u>	1 Year Ending <u>01/31/2013</u>	3 Years Ending <u>01/31/2013</u>
Total Fund	6.31%	21.10%	10.81%
Policy Benchmark	6.11%	19.68%	11.35%

**2. Interest rate sensitivity analysis.**

Mr. Garrett reported that Mr. Nash and Mr. Brown gave an overview of the interest rate sensitivity analysis to the Investment Committee.

**3. Manager interview review, discussion and further action.**

Motion was made by Mr. Garrett and seconded by Mr. Long to issue two RFP's, one for Core Fixed Income and one for Low Volatility Hedge Fund. Ayes: Messrs. Morrison, Vanhorn, Adams, Freeman, Cramer, Garrett, Long, Duncan, Carner, and Kohls. Nays: None. Motion carried.

Motion was made by Mr. Garrett and seconded by Mr. Vanhorn to fund \$25 million from Fixed Income to Dune Real Estate Partners. Ayes: Messrs. Morrison, Vanhorn, Adams, Freeman, Cramer, Garrett, Long, Duncan, Carner, and Kohls. Nays: None. Motion carried.

Motion was made by Mr. Garrett and seconded by Mr. Carner to fund \$40 million each to Ardian, Capital Dynamics and Pomona Capital. Ayes: Messrs. Morrison, Vanhorn, Adams, Freeman, Cramer, Garrett, Long, Duncan, Carner, and Kohls. Nays: None. Motion carried.

Mr. Garret said the due diligence trips would be February 12 through the 19<sup>th</sup> in Boston to see Portfolio Advisors for Real Estate secondary's.

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

1. In re: Finisar Corp. Sec. Litig., 11-cv-1252-EJD (AFT) (Waddell)
2. In re: Miller Energy Resources Securities Litigation 11-cv-375 (E.D. Tenn.) (Grant)

3. Greg Young vs. Pacific Biosciences of CA, Inc., et al. CIV 509210 Cal Superior Court, San Mateo Div. (Robbins)
4. In re: Lehman Brothers Equity/Debt Securities Litigation, 08-cv-5523-LAK (S.D.N.Y.) Saxena White)
5. City of Henryetta v. Oklahoma Firefighters Pension and Retirement System and Raymond Eldridge, Oklahoma County District Court, Case No. CV-2012-772 (PM)

Mr. Edwards reported that the City Attorney sent the paperwork that has been filed and this case is pending dismissal.

7. Oklahoma Firefighters Pension v. Jefferies Group et al, Chancery Court of Delaware, Case No.
8. Gail Failkov v. Microsoft, Case 2-13-cv-02039 USDC WD Wash (Robbins Geller)
9. Lang v. Towers Group International, et al, Case No. 13-CV-5282, USDC, SDNY
10. Manabat v. Velti PLC, et al. Case No. 13-CV-4606 USDC ND Calif (Labaton)
11. McCracken v. Edwards LifeSciences Corp et al.
12. Report on the current status of all other litigation involving the Pension System.

**CLEDELLA EVANS/TULSA - APPLICATION ON BEHALF OF FIREFIGHTER FOR "DISABILITY IN THE LINE OF DUTY" PENSION, EFFECTIVE JANUARY 1, 2014:**

Motion was made by Mr. Garrett and seconded Mr. Long to deny the Application for Disability in the Line of Duty that was submitted by the City of Tulsa based on lack of evidence supporting the disability and non compliance to 11 O.S. Section 49-111. Messrs. Morrison, Vanhorn, Adams, Freeman, Cramer, Garrett, Long, Duncan, Carner, and Kohls. Nays: None. Motion carried.

Motion was made by Mr. Long and seconded by Mr. Garrett to have Attorney Marc Edwards send a letter to the City of Tulsa explaining the reason the State Pension Board denied the Application for Disability in the Line of Duty and what needs to be done to meet the six month injury leave. Messrs. Morrison, Vanhorn, Adams, Freeman, Cramer, Garrett, Long, Duncan, Carner, and Kohls. Nays: None. Motion carried.

**DANNIE BAILEY/ANADARKO – APPLICATION FOR “DISABILITY IN THE LINE OF DUTY” PENSION, EFFECTIVE JANUARY 1, 2014:**

Motion was made by Mr. Garrett and seconded by Mr. Vanhorn to approve the Application for “Disability in the Line of Duty”, effective January 1, 2014. Ayes: Messrs. Morrison, Garrett, Vanhorn, Long, Garrett, Freeman, Kohls, Duncan, Adams, Manek, and Carner. Naves: None. Motion carried.

**KENNETH J. KEIM/TULSA - APPLICATION FOR “DISABILITY IN THE LINE OF DUTY” PENSION, EFFECTIVE JANUARY 1, 2014:**

Motion was made by Mr. Garrett and seconded by Mr. Long to modify the Application for “Disability in the Line of Duty”, to “Service”, effective January 1, 2014. Ayes: Messrs. Morrison, Adams, Long, Cramer, Duncan, Kohls, Vanhorn, Garrett, Duncan, Manek and Carner. Naves: None. Motion carried.

**VERNON DUTTON/CENTRAL HIGH - APPLICATION FOR “DISABILITY IN THE LINE OF DUTY” PENSION, EFFECTIVE JANUARY 1, 2013:**

Motion was made by Mr. Garrett and seconded by Mr. Long to approve the Application for “Disability Not in the Line of Duty”, effective January 1, 2013. Ayes: Messrs. Morrison, Garrett, Vanhorn, Manek, Kohls, Freeman, Adams, Duncan, Long, Cramer, and Carner. Naves: None. Motion carried.

**MICHAEL R. HARPER/OKLAHOMA CITY – REQUEST TO CHANGE PENSION FROM “SERVICE” TO “DISABILITY IN THE LINE OF DUTY”:**

Motion was made by Mr. Garrett and seconded by Mr. Long to approve the Application for Disability in the Line of Duty based on the medical information provided. Ayes: Messrs. Morrison, Garrett, Vanhorn, Manek, Kohls, Freeman, Adams, Duncan, Long, Cramer, and Carner. Naves: None. Motion carried.

**JIMMY W. LAMBERT/OKLAHOMA CITY – REQUEST TO CHANGE PENSION FROM “DISABILITY NOT IN THE LINE OF DUTY” TO “DISABILITY IN THE LINE OF DUTY”:**

Motion was made by Mr. Garrett and seconded by Mr. Long to approve the Application for “Disability in the Line of Duty” pension based on the medical information provided. Ayes: Messrs. Morrison, Garrett, Vanhorn, Manek, Adams, Duncan, Long, Cramer, and Carner. Naves: Craig Freeman and Janet Kohls. Motion carried.

**RICHARD KING/YUKON – REQUEST TO CHANGE PENSION FROM “SERVICE” TO “DISABILITY IN THE LINE OF DUTY”:**

Motion was made Mr. Garrett and seconded by Mr. Adams to send Mr. King to the State Doctor for further evaluation. Ayes: Messrs. Morrison, Garrett, Vanhorn, Manek, Kohls, Freeman, Adams, Duncan, Long, Cramer, and Carner. Nays: None. Motion carried.

**RECEIVE & FILE:**

1. Worldcom Settlement - \$9,207.39 – December 2013
2. Insurance Premium Tax - \$16,479,014.56 – January 2014

Motion was made by Mr. Vanhorn and seconded by Mr. Long to approve the above listed receive and file. Ayes: Messrs. Garrett, Vanhorn, Morrison, Long, Duncan, Adams, Manek, Kohls, Freeman, Cramer and Carner. Nays: None. Motion carried.

**ROBERT JONES/EXECUTIVE DIRECTOR REPORT:**

This was no report given by the Executive Director.

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

Motion was made by Mr. Vanhorn and seconded by Mr. Long to approve travel for Duane Michael and Chase Rankin to attend CPA classes. Ayes: Messrs. Garrett, Vanhorn, Morrison, Long, Duncan, Adams, Manek, Kohls, Freeman, Cramer and Carner. Nays: None. Motion carried.

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

Mr. Garrett asked if WiFi coverage could be provided in the Board room.

**OLD BUSINESS:**

**NEW BUSINESS:**

**NEXT MEETING DATE:**

The Oklahoma Firefighters Pension and Retirement Board will meet February 21, 2014 at 8:30 A.M. at the Lincoln Plaza Office Building at 4545 N. Lincoln Blvd., Oklahoma City, OK.

**ADJOURNMENT:**

Motion was made by Mr. Long and seconded by Mr. Vanhorn to adjourn the Board meeting at 1:40 A.M. Ayes: Messrs. Garrett, Vanhorn, Morrison, Long, Duncan, Adams, Cramer, Kohls, Freeman, and Carner. Nays: None. Motion carried.

Submitted by Terri L. Williams, Executive Secretary.