

## MINUTES

The Oklahoma Firefighters Pension and Retirement Board met May 17, 2013 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 Gerald Garrett called the meeting to order.

Members Present: Gerald Garrett, Casey Morrison, Scott Vanhorn, Dana Cramer, Jim Long, David Thompson, Bob Allen, and Anita Breen arriving at 8:50 A.M.

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

Visitors: Brett Hazen, Bogden Group; Dana Dean & Sean Hull, Thornburg Investment Management; David Lubchenco & Bryan Beitner, Chautauqua Capital Management; Stephen Hamilton, Delaware Investments

Absent: Frank Stone, Raanon Adams, Janet Kohls, Brandy Manek and Doug Jacobson

### **APPROVAL/MINUTES DATED APRIL 19, 2013:**

Motion was made by Mr. Long and seconded by Mr. Morrison to approve the minutes dated April 19, 2013 with the amendment that all Board members voted yes on Don Mariano's request to modify his pension from "Service" to "Disability in the Line of Duty, except for Frank Stone and the motion carried. Ayes: Messrs. Garrett, Morrison, Vanhorn, Allen, Cramer, Breen, Thompson, and Long. None. Motion carried.

### **THORNBURG INVESTMENT MANAGEMENT/DANA DEAN & SEAN HULL:**

Ms. Dean and Mr. Hull gave a presentation for Thornburg Investment Management.

	3 Months Ending <u>04/30/2013</u>	1 Year Ending <u>04/30/2013</u>	3 Years Ending <u>04/30/2013</u>
Thornburg Investment Management	1.43%	11.79%	7.23%
MSCI EAFE	5.07%	19.39%	7.44%

**CHAUTAUQUA CAPITAL MANAGEMENT/DAVID LUBCHENCO & BRYAN BEITNER:**

Mr. Lubchenco and Mr. Beitner gave a presentation for Chautauqua Capital Management.

	3 Months Ending <u>04/30/2013</u>	09/01/2012 Ending <u>04/30/2013</u>
Chautauqua Capital Management	1.87%	14.87%
MSCI EAFE	5.07%	21.36%

**DELAWARE INVESTMENTS/STEPHEN HAMILTON:**

Mr. Hamilton gave a presentation for Delaware Investments.

	3 Months Ending <u>04/30/2013</u>	1 Year Ending <u>04/30/2013</u>	05/01/2011 Ending <u>04/30/2013</u>
Delaware Investments	4.01%	7.13%	7.21%
Russell 2500 Growth	5.36%	15.08%	6.41%

**BOGDEN GROUP/BRETT HAZEN:**

**1. Presenting Manager Review.**

Mr. Hazen reviewed the presenting managers to the Board.

**INVESTMENT COMMITTEE/CASEY MORRISON – CHAIRMAN:**

**1. Review Investment performance.**

Mr. Hazen reviewed the monthly investment performance.

	3 Months Ending <u>04/30/2013</u>	1 Year Ending <u>04/30/2013</u>	3 Years Ending <u>04/30/2013</u>
Total Fund	4.18%	11.89%	9.22%
Policy Benchmark	4.96%	13.19%	10.46%

## **2. Investment Policy structure review and discussion.**

Mr. Morrison reported that the investment consultant was performing a review of the current Investment Policy.

## **3. Status of Middle Market Debt Search.**

Motion was made by Mr. Morrison and seconded by Mr. Vanhorn to allocate \$80 million to be divided equally between Garrison and Medley with the funding to come from the fixed income account. Ayes: Messrs. Garrett, Morrison, Cramer, Vanhorn, Adams, Manek, Kohls, Thompson, Breen, Stone, Long, and Allen. Nays: None. Motion carried.

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

Motion was made by Mr. Long and seconded by Mr. Vanhorn to approve the Consent Agenda dated April 19, 2013. Ayes: Messrs. Garrett, Morrison, Cramer, Vanhorn, Adams, Manek, Kohls, Thompson, Breen, Stone, Long, and Allen. Nays: None. Motion carried.

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

1. Minneapolis Firefighters Relief Association v. Medtronic, Inc. et el, USDC, Minnesota, Case No. 0:08-CV-06324
2. In re: Finisar Corp. Sec. Litig., 11-cv-1252-EJD (AFT) (Waddell)
3. In re: Miller Energy Resources Securities Litigation 11-cv-375 (E.D. Tenn.) (Grant)
4. Greg Young vs. Pacific Biosciences of CA, Inc., et al. CIV 509210 Cal Superior Court, San Mateo Div. (Robbins)

Motion was made by Mr. Vanhorn and seconded by Mr. Morrison to enter into Executive Session. Ayes: Messrs. Garrett, Morrison, Cramer, Vanhorn, Thompson, Breen, Long, and Allen. Nays: None. Motion carried.

Motion was made by Mr. Vanhorn and seconded by Mr. Thompson to enter into Open Session. Ayes: Messrs. Garrett, Morrison, Cramer, Vanhorn, Thompson, Breen, Long, and Allen. Nays: None. Motion carried.

Motion was made by Mr. Morrison and seconded by Mr. Long to approve stipulation of settlement per recommendations of Robbins Gellar in email dated May 16, 2013, and for the Chairman to execute said stipulation, as required by court. Ayes: Messrs. Garrett, Morrison, Cramer, Vanhorn, Thompson, Breen, Long, and Allen. Nays: None. Motion carried.

5. Oklahoma Firefighters Pension & Retirement System v. Student Loan Corp., et al. 12-cv-895-NRB (S.D.N.Y.) (Grant)
6. In re: Lehman Brothers Equity/Debt Securities Litigation, 08-cv-5523-LAK (S.D.N.Y.) (Saxena White)
7. City of Henryetta v. Oklahoma Firefighters Pension and Retirement System and Raymond Eldridge, Oklahoma County District Court, Case No. CV-2012-772. (PM)
8. Harrison v. MAKO Surgical Corp., No. 12-cv-60875 (S.D. Fla. May 10, 2012. (Labaton)
9. Oklahoma Firefighters Pension v. Jefferies Group et al, Chancery Court of Delaware, Case No.
10. Reinschmidt v. Zillow, Inc. et al, Securities Litigation, Western District of Washington, Case No. 2:12-cv-02084
11. Report on the current status of all other litigation involving the Pension System.

Mr. Edwards said there was nothing new to report.

**CLARK A. PURDY/GUYMON - APPLICATION FOR “DISABILITY IN THE LINE OF DUTY” PENSION, EFFECTIVE MAY 1, 2013:**

Motion was made by Mr. Allen and seconded by Mr. Long to approve the Application for “Disability in the Line of Duty, effective May 1, 2013. Ayes: Messrs. Garrett, Vanhorn, Morrison, Cramer, Long, Thompson, Breen, and Allen. Nays: None Motion carried.

**FRANCIS DAVID PERRY/MIDWEST CITY – APPLICATION FOR “DISABILITY IN THE LINE OF DUTY” PENSION, EFFECTIVE MAY 1, 2013:**

Motion was made by Mr. Cramer and seconded by Mr. Vanhorn to approve the Application of “Disability in the Line of Duty”, effective May 1, 2013. Ayes: Messrs. Garrett, Vanhorn, Morrison, Cramer, Long, Breen, Thompson, and Allen. Nays: None Motion carried.

**CHARLES D. CARROLL/TAHLEQUAH/TAHLEQUAH - APPLICATION FOR  
“DISABILITY IN THE LINE OF DUTY” PENSION, EFFECTIVE MAY 1, 2013:**

Motion was made by Mr. Long and seconded by Mr. Vanhorn to modify the Application for “Disability in the Line of Duty” to “Disability Not in the Line” effective May 1, 2013. Ayes: Messrs. Garrett, Vanhorn, Morrison, Thompson, Breen, Cramer, Long, and Allen. Naves: None. Motion carried.

**TROY AEBISCHER/BLACKWELL – REQUEST TO CHANGE PENSION FROM  
“SERVICE” TO “DISABILITY IN THE LINE OF DUTY”:**

Motion was made by Mr. Vanhorn and seconded by Mr. Cramer to approve the request of Mr. Aebischer to modify the pension from “Service” to “Disability in the Line of Duty” based on the medical information submitted. Ayes: Messrs. Long Morrison, Garrett, Vanhorn, Cramer, Breen, Thompson, and Allen. Naves: None. Motion carried.

**KENNETH LINDSEY/LAWTON – REQUEST TO MODIFY PENSION FROM  
“SERVICE” TO “DISABILITY IN THE LINE OF DUTY”**

Motion was made by Mr. Cramer and seconded by Mr. Vanhorn to approve the request of Mr. Lindsey to modify the pension from “Service” to “Disability in the Line of Duty” based on the medical information submitted. Ayes: Messrs. Long Morrison, Garrett, Vanhorn, Cramer, Breen, Thompson, and Allen. Naves: None. Motion carried.

**CARLA S. ROBERSON/OKLAHOMA CITY – REQUEST TO MODIFY  
PENSION FROM “SERVICE” TO “DISABILITY IN THE LINE OF DUTY”**

Motion was made by Mr. Vanhorn and seconded by Mr. Cramer to deny the request to modify Ms. Roberson’s pension from “Service” to “Disability in the Line of Duty”. Ayes: Messrs. Morrison, Garrett, Vanhorn, Cramer, Breen, Thompson, and Allen. Naves: Long. Motion carried.

**RAYMONED J. STUART/OKLAHOMA CITY – REQUEST TO MODIFY  
PENSION FROM “SERVICE” TO “DISABILITY IN THE LINE OF DUTY”**

Motion was made by Mr. Cramer and seconded by Mr. Allen to approve the request of Mr. Stuart to modify his pension from “Service” to “Disability in the Line of Duty” based on the medical information submitted. Ayes: Messrs. Long Morrison, Garrett, Vanhorn, Cramer, Breen, Thompson, and Allen. Naves: None. Motion carried.

**ROBERT JONES/APPROVAL OF THE FOLLWING CONTRACTS:**

**Money Managers**

Aronson & Partners  
Azul Holdco  
Brandywine Asset Management  
Chautauqua Asset Management  
Clarivest Asset Management LLC  
Delaware Investments  
Earnest Partners  
Fred Alger  
Grosvenor Capital Management  
Herndon Capital Management  
INTECH  
JP Morgan Fleming  
Lord Abbett  
Portfolio Advisors, LLC  
Real Estate Fund III  
Real Estate Fund IX  
Private Advisors, LLC  
River Road Asset Management  
State Street Global Advisors  
TA Associates  
Realty Associates Fund VII  
Realty Associates Fund IX  
Thornburg Investment Management  
Wasatch Advisors  
WCM Investment Management

**Other Professionals**

Bogdahn Group  
Robert Palesano  
Buck Consultants

**Legal**

Phillips Murrah  
Davis, Graham & Stubbs

**Accounting/Auditing/Custody**

Finley & Cook  
Crawford & Associates  
GTS Advisors  
State Street Bank

Motion was made by Mr. Vanhorn and seconded by Ms. Breen to approve the contracts as above listed. Ayes: Messrs. Garrett, Morrison, Vanhorn, Breen, Cramer, Long, Thompson, and Allen. Nays: None. Motion carried.

**CHASE RANKIN/APPROVAL OF 2014 BUDGET:**

Motion was made by Ms. Breen and seconded by Mr. Vanhorn to approve the 2014 Budget. Ayes: Messrs. Garrett, Morrison, Vanhorn, Breen, Cramer, Long, Thompson, and Allen. Nays: None. Motion carried.

**GREG GRAHAM/POCOLA FIRE DEPARTMENT – REQUEST FOR RESTORATION OF THREE YEARS OF CREDITED SERVICE:**

Motion was made by Mr. Cramer and seconded by Mr. Cramer to deny the request of Mr. Graham for restoration of three years of credited service. Ayes: Messrs. Garrett, Vanhorn, Breen, Cramer, Thompson and Allen. Nays: Long and Morrison. Motion failed.

The Board asked that this item be placed on next month's agenda for further discussion.

**RECEIVE & FILE:**

1. Capital Institutional Services - \$545.88 – April 2013
2. Ventro Corporation – Securities Litigation – 88.55 – April 2013
3. Grosvenor redemption - \$85,383,813.71 – April 2013
4. Attalus redemption - \$14,724,263.90 – May 2013
5. Insurance Premium Tax - \$15,507,322.74 – May 2013

Motion was made by Mr. Vanhorn and seconded by Mr. Cramer to approve the above listed receive and file. Ayes: Messrs. Garrett, Vanhorn, Morrison, Cramer, Long, Breen, Thompson and Allen. Nays: None. Motion carried.

**OWASSO FIRE DEPARTMENT IS REQUESTING TO CHANGE THEIR PHYSICAL FITNESS TEST TO THE CPAT:**

Motion was made by Mr. Long and seconded by Mr. Allen to approve the request for Owasso Fire Department to change their physical fitness test to CPAT. Ayes: Messrs. Garrett, Vanhorn, Morrison, Cramer, Long, Breen, Thompson and Allen. Nays: None. Motion carried.

**ROBERT JONES/EXECUTIVE DIRECTOR REPORT:**

Mr. Jones discussed the passage of the House Bill 2078.

Mr. Jones discussed Senate Bill 1101.

Mr. Jones reported on the quarterly report from the auditor. Mr. Jones said there had been no exceptions noted.

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

Motion was made by Ms. Breen and seconded by Mr. Cramer to approve travel for Bob Jones to attend a trail in Boulder, CO. Ayes: Messrs. Garrett, Vanhorn, Morrison, Cramer, Long, Breen, Thompson and Allen. Nays: None. Motion carried.

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

Mr. Garrett reported that the House passed a bill for renewed tax credits that would no longer be transferable on a going forward basis.

**NEW BUSINESS:**

**NEXT MEETING DATE:**

The Oklahoma Firefighters Pension and Retirement Board will meet June 21, 2013 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. Vanhorn and seconded by Mr. Morrison to adjourn the Board meeting at 12:10 P.M.

Submitted by Terri L. Williams, Executive Secretary.