

MINUTES

The Oklahoma Firefighters Pension and Retirement Board met May 18, 2018, 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 Matt Lay called the meeting to order.

Members Present: Matt Lay, Mike Kelley, Scott Vanhorn, Eric Harlow, Jim Long, Dana Cramer, Michael Duncan, Dereck Cassady, and Herb Bradshaw.

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

Visitors: Dan Boston and Jo Ellen Wall, Chautauqua; Sharon Hayman, Jackson Square; Clay Moss and Kirk Hall, Hall Capital

Absent: Janet Kohls, Brandy Manek, Craig Freeman, and Frank Stone

APPROVAL/MINUTES DATED APRIL 20, 2018:

Motion was made by Mr. Kelley and seconded by Mr. Duncan to approve the minutes dated April 20, 2018. Ayes: Messrs. Lay, Cramer, Duncan, Kelley, Cassady, Long, Vanhorn, Harlow, and Bradshaw. Nays: None. Motion carried.

REQUEST APPROVAL/CONSENT AGENDA, A COPY IS ATTACHED:

Motion was made by Mr. Cassady and seconded by Mr. Cramer to approve the Consent Agenda dated May 18, 2018. Ayes: Messrs. Lay, Duncan, Cramer, Kelley, Vanhorn, Harlow, Cassady, and Long. Nays: None. Motion carried.

CHAUTAUQUA/DAN BOSTON AND JO ELLEN WALL :

Mr. Boston and Ms. Wall gave a presentation for Chautauqua.

	3 Months Ending <u>04/30/2018</u>	1 Year Ending <u>04/30/2018</u>	3 Years Ending <u>04/30/2018</u>
Chautauqua	-5.17%	20.94%	9.52%
MSCI EAFE (Net)	-4.09	14.51%	4.94%

JACKSON SQUARE/SHARON HAYMAN:

Ms. Hayman gave a presentation for Jackson Square.

	3 Months Ending <u>04/30/2018</u>	1 Year Ending <u>04/30/2018</u>	3 Year Ending <u>04/30/2018</u>
Jackson Square	0.99%	24.08%	13.88%
Russell 2500 Growth	-3.11%	17.10%	9.64%

HALL CAPITAL/CLAY MOSS AND KIRK HALL:

Mr. Moss and Mr. Hall gave a presentation for Hall Capital.

	3 Months Ending <u>04/30/2018</u>	1 Year Ending <u>04/30/2018</u>	3 Year Ending <u>04/30/2018</u>
Hall Capital	2.04%	18.68%	4.35%
Ncrief ODCE EW Net (Daily)	1.96%	7.28%	9.34%

&CO CONSULTING/TROY BROWN & TIM NASH:

1. Presenting Manager Review.

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

INVESTMENT COMMITTEE/DERECK CASSADY - CHAIRMAN:

1. Review Investment Performance.

	3 Months Ending <u>04/30/2018</u>	1 Year Ending <u>04/30/2018</u>	3 Years Ending <u>04/30/2018</u>	
Total Fund	2.57%	11.93%	8.25%	
Policy	3.48%	9.00%	7.14%	-

2. Review Investment Policy.

3. Review Quarterly Investment Policy Compliance.

Motion was made by Mr. Cassady and seconded by Mr. Vanhorn to do an RFP for an Emerging Market Manager. Messrs. Lay, Cramer, Duncan, Cassady, Harlow, Vanhorn, Bradshaw, Long, and Kelley. Naves: None. Motion carried.

Motion was made by Mr. Cassady and seconded by Mr. Kelley to liquidate the fixed income index funds and move approximately 75% to Garcia Hamilton and 25% to Orleans. Messrs. Lay, Cramer, Duncan, Cassady, Harlow, Vanhorn, Bradshaw, and Long. Naves: None. Motion carried.

4. Review Private Investment Report.

5. Morris et al. v. Overstock com et al; Case No. 18-cv-00271-PMW, District Utah Central)

No action was taken on this item.

RULES COMMITTEE/MIKE KELLEY – CHAIRMAN:

1. Review Travel Policy within the Code of Conduct.

Mr. Kelley reported that the Rules Committee did not meet.

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 al; 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)
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 that the Executive Director gave his disposition and did a great job.

8. Oklahoma Firefighters Pension and Retirement System, derivatively on behalf of Yahoo! Inc., v Eric Brandt, et al.: (Court of Chancery State of Delaware) (BLBG)
9. United Health Group, Inc. Recommendation for Derivative Action (Cohen Milstein)
10. Eric Weiner, et al., v. Tivity Health Inc., et al: Case No 17-cv-1469 (Middle District of Tennessee, Nashville)
11. Ruther v OFP; Case No. CV-2017-50, (Garfield County District Court); Case No. 11641, (Supreme Court).

Mr. Edwards reported that Mr. Ruther filed an appeal of the judge's decision to rule on the merits of the case. He said that the Civil Court of Appeal's has ruled that Mr. Ruther had not exhausted his administrative rights to the State pension board and that the original case was filed in the wrong jurisdiction. Therefore, the Civil Court of Appeals has vacated the decision of the district court as there was no justiciable issue before the court. If Mr. Ruther wishes to proceed, he must obtain a final decision of the Board and if finding that decision dissatisfiable, appeal the decision to the district court in Oklahoma City.

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

Mr. Edwards reported that Fred Alger filed the opt out in the Lending Club settlement. He said there were thirteen investors included as well as thirty Fred Alger funds.

WILLIAM VAUGHN/BROKEN ARROW - APPLICATION FOR “DISABILITY IN THE LINE OF DUTY” PENSION, EFFECTIVE MAY 16, 2018:

Motion was made by Mr. Cramer and seconded by Mr. Vanhorn to approve the Application for “Disability in the Line of Duty”, effective May 16, 2018. Ayes: Lay, Cramer, Duncan, Cassady, Harlow, Long, Vanhorn, Kelley, and Bradshaw. Nays: None. Motion carried.

TY W. BIVENS/OKLAHOMA CITY – APPLICATION FOR “DISABILITY IN THE LINE OF DUTY” PENSION, EFFECTIVE MAY 1, 2018:

Motion was made by Mr. Vanhorn and seconded by Mr. Harlow to approve the Application for “Disability in the Line of Duty”, effective May 1, 2018. Ayes: Lay, Cramer, Duncan, Cassady, Harlow, Long, Vanhorn, Kelley, and Bradshaw. Nays: None. Motion carried.

LESLIE R. GAY/OKLAHOMA CITY - APPLICATION FOR “DISABILITY IN THE LINE OF DUTY” PENSION, EFFECTIVE MAY 1, 2018:

Motion was made by Mr. Harlow and seconded by Mr. Cassady to modify the Application for “Disability in the Line of Duty” to “Service”, effective May 1, 2018. Ayes: Lay, Duncan, Cramer, Cassady, Harlow, Long, Vanhorn, Kelley, and Bradshaw. Nays: None. Motion carried.

BOBBY W. LAMBERT/OKLAHOMA CITY – APPLICATION FOR DISABILITY IN THE LINE OF DUTY” PENSION, EFFECTIVE MAY 1, 2018:

Motion was made by Mr. Harlow and seconded by Mr. Cassady to approve the Application for “Disability in the Line of Duty”, effective May 1, 2018. Ayes: Duncan, Cramer, Duncan, Cassady, Harlow, Long, Vanhorn, Kelley, and Bradshaw. Nays: None. Motion carried.

BRENT E. MILLER/TULSA – APPLICATION FOR DISABILITY IN THE LINE OF DUTY” PENSION, EFFECTIVE MAY 1, 2018:

Motion was made by Mr. Bradshaw and seconded by Mr. Cassady to modify the Application for “Disability in the Line of Duty”, to “Service” effective May 1, 2018. Ayes: Lay, Duncan, Cramer, Cassady, Harlow, Long, Vanhorn, Kelley, and Bradshaw. Nays: None. Motion carried.

JUSTIN W. WARREN/SPIRO – APPLICATION FOR DISABILITY NOT IN THE LINE OF DUTY” PENSION, EFFECTIVE MAY 1, 2018:

Motion was made by Mr. Bradshaw and seconded by Mr. Duncan to approve the Application for “Disability Not in the Line of Duty”, effective May 1, 2018. Ayes: Lay, Duncan, Cramer, Cassady, Harlow, Long, Vanhorn, Kelley, and Bradshaw. Naves: None. Motion carried.

MOLLY BLANTON/TULSA – APPLICATION FOR DISABILITY NOT IN THE LINE OF DUTY” PENSION, EFFECTIVE APRIL 29, 2018:

Motion was made by Mr. Long and seconded by Mr. Harlow to approve the Application for “Disability Not in the Line of Duty”, effective April 29, 2018. Ayes: Lay, Duncan, Cramer, Cassady, Long, Vanhorn, Kelley, Harlow, and Bradshaw. Naves: None. Motion carried.

BRUCE JOHNSON/ENID - REQUEST TO MODIFY PENSION FROM “SERVICE” TO “DISABILITY IN THE LINE OF DUTY”:

Motion was made by Mr. Long and seconded by Mr. Harlow to approve the request of Mr. Johnson based on the medical information provided. Ayes: Lay, Cramer, Duncan, Cassady, Long, Harlow, Vanhorn, Kelley and Bradshaw. Naves: None. Motion carried.

JASON S. STARNES/GUTHRIE - REQUEST TO MODIFY FROM “DISABILITY NOT IN THE PENSION TO “DISABILITY IN THE LINE OF DUTY” – PROOF OF INJURY PROVIDED:

Mr. Harlow asked not to be included in the discussion.

Motion was made by Mr. Long and seconded by Mr. Vanhorn to approve the request of Mr. Starnes based on the injury reported. Ayes: Lay, Duncan, Cramer, Cassady, Long, Vanhorn, Kelley, and Bradshaw. Naves: None. Motion carried.

Mr. Harlow abstained.

RICK HORNER/OKLAHOMA CITY – REQUEST TO MODIFY FROM “SERVICE” TO “DISABILITY IN THE LINE OF DUTY”;

Motion was made by Mr. Bradshaw and seconded by Mr. Vanhorn to approve the request of Mr. Horner based on the medical information provided. Ayes: Lay, Duncan, Cramer, Cassady, Long, Harlow, Vanhorn, Kelley, and Bradshaw. Naves: None. Motion carried.

**PHILLIP MARTIN/OKLAHOMA CITY – REQUEST TO MODIFY FROM
“SERVICE” TO “DISABILITY IN THE LINE OF DUTY”;**

Motion was made by Mr. Vanhorn and seconded by Mr. Kelley to approve the request of Mr. Martin based on the medical information provided. Ayes: Lay, Duncan, Cramer, Cassady, Long, Harlow, Vanhorn, Kelley, and Bradshaw. Nays: None. Motion carried.

**PAUL W. VAIL/OKLAHOMA CITY – REQUEST TO MODIFY FROM
“SERVICE” TO “DISABILITY IN THE LINE OF DUTY”;**

Motion was made by Mr. Bradshaw and seconded by Mr. Vanhorn to approve the request of Mr. Vail based on the medical information provided. Ayes: Lay, Duncan, Cramer, Cassady, Long, Harlow, Vanhorn, Kelley, and Bradshaw. Nays: None. Motion carried.

**LEE BENNETT/VINITA – REQUEST FOR RESTORATION TO ACTIVE
SERVICE PURSUANT TO TITLE 11 O.S. SECTION 49-109 (B). DUE TO THE
CONFIDENTIAL NATURE OF THE DISABILITY APPLICATIONS,
EXECUTIVE SESSION MAY BE NECESSARY PURSUANT TO TITLE 25 O.S.
SECTIONS 307 (B) (4) AND (B) (7).**

- a. Executive Session if deemed necessary by Legal Counsel pursuant to 25 O.S. Section 307 B (1).
- b. Vote to enter into Executive Session.
- c. Discussion on Lee Bennett to return to active service. Previous Board action was to send him to the State Physician and the results have been received.
- d. Vote to enter into Open Session.

Motion was made by Mr. Cassady and seconded by Mr. Kelley to follow the State Physicians recommendation to not reinstate Mr. Bennett to active duty. Ayes: Lay, Cramer, Duncan, Cassady, Long, Harlow, Vanhorn, Kelley and Bradshaw. Nays: None. Motion carried.

Mr. Rankin said that Mr. Bennett had asked for reimbursement for mileage.

CHASE RANKIN/APPROVAL OF THE FOLLOWING CONTRACTS:

Mr. Rankin reviewed the contracts with the Board.

Money Managers

Allianz Global Investors
Angelo Gordon
Ardian
Aronson & Partners
Brandywine Asset Management
Beutel Goodman
Capital Dynamics
Chautauqua Asset Management/Baird
Clarivest Asset Management LLC
Dune
Earnest Partners
Fred Alger
Garcia Hamilton & Associates
Garrison
Hall Capital
INTECH
Jackson Square Partners
JP Morgan
Landmark
Lord Abbett
Medley
Mesirow
Orleans
Permal Group/Entrust
PIMCO
Pomona Capital
Portfolio Advisors
River Road Asset Management
State Street Global Advisors
TA Associates
Tortoise Capital Advisors
Wasatch Advisors
WCM Investment Management

Other Professionals:

AndCo Consulting
Robert Palesano
Retirement Horizons, Inc.

Legal:

Phillips Murrah
Davis, Graham & Stubbs

Accounting/Auditing/Custody:

Finley & Cook
Crawford & Associates
State Street Bank

Motion was made by Mr. Bradshaw and seconded by Mr. Kelley to approve the contracts as listed. Ayes: Lay, Cramer, Duncan, Cassady, Long, Harlow, Vanhorn, Kelley and Bradshaw. Nays: None. Motion carried

CHASE RANKIN/APPROVAL OF 2019 BUDGET:

Mr. Rankin reviewed the budget with the Board.

Motion was made by Mr. Kelley and seconded by Mr. Long to approve the 2019 Budget. Ayes: Lay, Cramer, Duncan, Cassady, Long, Harlow, Vanhorn, Kelley and Bradshaw. Nays: None. Motion carried.

RECEIVE & FILE:

1. Insurance Premium Tax - \$18,840,106.74 – May 2018

Motion was made by Mr. Bradshaw and seconded by Mr. Cramer to approve the receive and file as listed above. Ayes: Lay, Cramer, Duncan, Cassady, Long, Harlow, Vanhorn, Kelley and Bradshaw. Nays: None. Motion carried.

CHASE RANKIN/EXECUTIVE DIRECTOR REPORT:

Mr. Rankin reported that session was out. He said House Bill 1340 was passed and signed providing a one-time stipend, not to exceed \$1,000, effective October 1, 2018.

Mr. Rankin reported Rules was waiting on an approval from the Governor's office.

Mr. Rankin reported that 1590 MDI's had been mailed and 965 had been returned. He said there had been two mailings and the final notices would be mailed out at the end of the month.

Mr. Rankin reported the Internal Audit was complete and there will be new procedures to review travel documents.

Mr. Rankin reported that the Oklahoma Public Employees Conference will be held September 26-28th at the Hard Rock in Tulsa, Oklahoma. Mr. Rankin asked the Board Members to let us know if they were wanting to attend.

Mr. Duncan and Mr. Bradshaw were recognized for their time served on the Pension Board.

Mr. Michael reported that after hour fees were added if the travel agent was called after midnight.

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

There was no action taken on this item.

QUESTIONS & COMMENTS FROM BOARD MEMBERS & AUDIENCE:

OLD BUSINESS:

NEW BUSINESS:

NEXT MEETING DATE:

The Oklahoma Firefighters Pension and Retirement Board will meet June 22, 2018 at 8:30 A.M. at the Salvation Army Building, 6601 Broadway Extension, Ste. 100, Oklahoma City, OK.

ADJOURNMENT:

Mr. Lay adjourned the Board meeting at 11:08 A.M.

Submitted by Terri L. Williams, Executive Secretary.