

MINUTES

The Oklahoma Firefighters Pension and Retirement Board met August 21, 2015 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 Raanon Adams called the meeting to order.

Members Present: Raanon Adams, Michel Duncan, Scott Vanhorn, Craig Freeman, John Soos, Derek Cassady, Matt Lay, Jim Long, Dana Cramer, Janet Kohls, Brandy Manek arriving at 8:50 A.M. and Frank Stone arriving at 9:05 A.M.

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

Visitors: Troy Brown and Tim Nash, Bogdahn Group; Guy Chiariello & Andy Pataky, Mesirow; Evan Dipaolo, Garrison Middle Market

Absent: Doug Jacobson

APPROVAL/MINUTES DATED JULY 17, 2015:

Motion was made by Mr. Cramer and seconded by Mr. Duncan to approve the minutes dated July 17, 2015. Ayes: Messrs. Adams, Duncan, Cassady, Freeman, Cramer, Lay, Long, Vanhorn, Kohls and Soos. Nays: None. Motion carried.

REQUEST APPROVAL/CONSENT AGENDA, A COPY IS ATTACHED:

Motion was made by Mr. Cramer and seconded by Mr. Vanhorn to approve the Consent Agenda dated August 21, 2015. Messrs. Adams, Duncan, Cassady, Freeman, Cramer, Lay, Long, Vanhorn, Kohls, and Soos. Nays: None. Motion carried.

MESIROW/GUY CHIARIELLO & ANDY PATAKY:

Mr. Chiariello and Mr. Pataky gave a presentation for Mesirow.

	3 Months Ending <u>07/31/2015</u>	1 Year Ending <u>07/31/2015</u>	Inception 05/01/2014 Ending <u>07/31/2015</u>
Mesirow	0.37%	(1.40)%	(1.12)%
NCREIF ODCE EW NET	3.70%	13.64%	12.99%

GARRISON MIDDLE MARKET/EVAN DIPAULO:

Mr. Dipaolo gave a presentation for Garrison Middle Market.

	3 Months Ending <u>07/31/2015</u>	1 Year Ending <u>07/31/2015</u>	2 Years Ending <u>07/31/2015</u>
Garrison Middle Market	1.58%	7.72%	6.90%
Barclays Aggregate Bond	(0.64)%	2.82%	3.40%

BOGDAHNS GROUP/TROY BROWN AND TIM NASH:

1. Presenting Manager Review.

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

INVESTMENT COMMITTEE/SCOTT VANHORN - CHAIRMAN:

1. Review Investment Performance.

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

	3 Months Ending <u>07/31/2015</u>	1 Year Ending <u>07/31/2015</u>	3 Years Ending <u>07/31/2015</u>
Total Fund	0.73%	8.08%	12.43%
Policy Benchmark	0.56%	7.56%	12.10%

2. Review quarterly investment manager performance.

Motion was made by Mr. Vanhorn and seconded by Mr. Long to immediately terminate Herndon Capital Management, instruct the investment consultant to prepare a large cap value RFP, to be presented to the Board next month and instruct State Street to transition the Herndon portfolio to a general large cap value allocation to be administered by State Street for at least six months. Messrs. Adams, Duncan, Cassady, Freeman, Lay, Long, Vanhorn, Kohls, Stone, and Soos. Naves: Cramer and Manek. Motion carried.

3. Review investment policy statement compliance.

It was noted that investment policy compliance was reviewed with the Investment Committee.

4. Review quarterly private investments.

During the quarterly investment review, Mr. Brown and Mr. Nash said there would be an education presentation meeting on Internal Rate of Return next month.

5. Discussion regarding federal securities class action against Lifelock, Inc.

There was no action taken on this item.

6. Discussion regarding federal securities class action against Bank of Nova Scotia, New York Agency, et. al.

Motion was made by Mr. Vanhorn and seconded by Mr. Long to retain Kaplan & Fox against Bank of Nova Scotia, New York Agency, et al. Messrs. Adams, Duncan, Cassady, Freeman, Cramer, Lay, Long, Vanhorn, Kohls, Stone, Manek and Soos. Naves: None. Motion carried.

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

1. Oklahoma Firefighters Pension v. Jefferies Group et al, Chancery Court of Delaware, Case No.
2. Lang v. Towers Group International, et al, Case No. 13-CV-5282, USDC, SDNY
3. Santore, et al. v. IXIA et al., Case No. CV 13-08440, (USDC CD Calif) (Grant)
4. In re: FX Litigation, Case No. 13-cv-07789 (SDNY) (Scott & Scott)

5. Abdul Award, er al v. Herbalife, Ltd. Et al., Case No. CV 14-02850, (USDC CD Calif) Saxena White)

Mr. Edwards reported that there was granted a motion to dismiss. Mr. Edwards said there were no plans to file a third complaint and the case will not be going forward.

6. Waterford Township Police and Fire Retirement System v. Ply Gem Holdings, et. Al, Case No. 14-cv-3577, (USDC SDNY)
7. Shah v. Rocket Fuel Inc., et al. Case No. 14-CV-03998 (USDC ND Calif)
8. In re: Castlight Health; Shareholder Litigation; Case No. CIV-533647 (Sup. Ct. Calif, San Mateo)
9. City of St. Clair Shores Police & Fire Retirement System v. Nationstar Mortgage Holdings Inc. et al: Case No. 15-cv-61170-WPD (USDC FL (Ft. Lauderdale)

Mr. Edwards reported that the Oklahoma Firefighters Pension System is expected to be appointed lead plaintiff.

10. Oklahoma Firefighters Pension v. City of Midwest City, Oklahoma County District Court, Case No. CJ-201-3481)

Mr. Edwards reported that Mr. Randy Olsen would be getting his personal records from the City of Midwest City.

11. Oklahoma Firefighters Pension v. City of Tulsa, Tulsa County District Court, Case No. CJ-2014-02363

Mr. Edwards reported that a settlement had been agreed to. Mr. Edwards said a check for \$5,700 would be mailed to the System today.

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

Mr. Edwards said there was nothing new to report.

ALAN L. BEVEL/BETHANY - APPLICATION FOR “DISABILITY IN THE LINE OF DUTY” PENSION, EFFECTIVE AUGUST 1, 2015:

Motion was made by Mr. Long and seconded by Mr. Cramer to modify the Application for “Disability in the Line of Duty” to “Service”, effective August 1, 2015. Messrs. Vanhorn, Adams, Cassady, Freeman, Cramer, Duncan, Lay, Manek, Long, Stone, Kohls and Soos. Naves: None. Motion carried.

**BRADLEY STOCKSTILL/BROKEN ARROW - APPLICATION FOR
“DISABILITY IN THE LINE OF DUTY” PENSION, EFFECTIVE APRIL 8, 2015:**

Motion was made by Mr. Long and seconded by Mr. Duncan to approve the Application for “Disability in the Line of Duty”, effective April 8, 2015. Ayes: Messrs. Long. Naves: Adams, Duncan, Cassady, Freeman, Stone, Cramer, Lay, Vanhorn, Manek, Soos and Kohls. Motion failed.

Motion was made by Mr. Long and seconded by Mr. Cramer to modify the Application for “Disability in the Line of Duty” to “Disability Not in the Line of Duty”, effective April 8, 2015. Messrs. Vanhorn, Adams, Cassady, Freeman, Cramer, Duncan, Lay, Manek, Long, Stone, Kohls and Soos. Naves: None. Motion carried.

**BRIAN J. ROWELL/EDMOND - APPLICATION FOR “DISABILITY IN THE
LINE OF DUTY” PENSION, EFFECTIVE JULY 1, 2015:**

Motion was made by Mr. Long and seconded by Mr. Cramer to approve the Application for “Disability in the Line of Duty”, effective July 1, 2015. Ayes: Messrs. Vanhorn, Adams, Cassady, Freeman, Cramer, Duncan, Long, Lay, Stone, Manek, Kohls, and Soos. Naves: None. Motion carried.

**ROBERT B. MOORE/NORTHWEST ROGERS - APPLICATION FOR
“DISABILITY IN THE LINE OF DUTY” PENSION, EFFECTIVE AUGUST 1,
2015:**

Motion was made by Mr. Cramer and seconded by Mr. Freeman to modify the Application for “Disability in the Line of Duty” to “Service” effective August 1, 2015 pending additional information. Ayes: Messrs. Cassady, Vanhorn, Duncan, Long, Cramer, Freeman, Stone, Manek, Adams, Lay, Kohls, and Soos. Naves: None. Motion carried.

**DARRELL BEELER/TULSA - APPLICATION FOR “DISABILITY IN THE
LINE OF DUTY”, EFFECTIVE AUGUST 1, 2015:**

Motion was made by Mr. Vanhorn and seconded by Mr. Long to approve the Application for “Disability in the Line of Duty”, effective August 1, 2015. Ayes: Messrs. Cassady, Duncan, Vanhorn, Long, Cramer, Manek, Adams, Freeman, Lay Stone, Kohls and Soos. Naves: None. Motion carried.

AL K. COLE/TULSA - APPLICATION FOR “DISABILITY IN THE LINE OF DUTY”, EFFECTIVE AUGUST 1, 2015:

Motion was made by Mr. Long and seconded by Mr. Vanhorn to approve the Application for “Disability in the Line of Duty”, effective August 1, 2015. Ayes: Messrs. Cassady, Duncan, Vanhorn, Freeman, Long, Cramer, Manek, Adams, Lay, Stone, Kohls, and Soos. Nays: None. Motion carried.

OSCAR MCLAURIN/TULSA - APPLICATION FOR “DISABILITY IN THE LINE OF DUTY”, EFFECTIVE AUGUST 1, 2015:

Motion was made by Mr. Cramer and seconded by Mr. Long to approve the Application for “Disability in the Line of Duty”, effective August 1, 2015. Ayes: Messrs. Cassady, Duncan, Vanhorn, Freeman, Long, Cramer, Manek, Adams, Lay, Stone, Kohls, and Soos. Nays: None. Motion carried.

WILLIAM R. REED/TULSA - APPLICATION FOR “DISABILITY IN THE LINE OF DUTY”, EFFECTIVE AUGUST 1, 2015:

Motion was made by Mr. Long and seconded by Mr. Cramer to approve the Application for “Disability in the Line of Duty”, effective August 1, 2015. Ayes: Messrs. Cassady, Duncan, Vanhorn, Freeman, Long, Cramer, Manek, Adams, Lay, Stone, Kohls, and Soos. Nays: None. Motion carried.

DELORES F. DWYER/SNYDER - APPLICATION FOR “DISABILITY NOT IN THE LINE OF DUTY”, EFFECTIVE JUNE 17, 2015:

Motion was made by Mr. Duncan and seconded by Mr. Long to approve the Application for “Disability Not in the Line of Duty”, effective June 17, 2015. Ayes: Messrs. Cassady, Duncan, Vanhorn, Freeman, Long, Cramer, Manek, Adams, Lay, Stone, Kohls, and Soos. Nays: None. Motion carried.

RICHARD D. CALVERT/OKLAHOMA CITY – REQUEST APPROVAL 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. Calvert to modify his pension from “Service” to “Disability in the Line of Duty” based on the medical information submitted. Ayes: Messrs. Cassady, Vanhorn, Long, Cramer, Duncan, Lay, Freeman, Adams, Kohls, and Soos. Nays: Manek and Stone. Motion carried.

THOMAS R. CARPENTER/OKLAHOMA CITY – REQUEST APPROVAL TO MODIFY PENSION FROM “SERVICE” TO “DISABILITY IN THE LINE OF DUTY”:

Motion was made by Mr. Long and seconded by Mr. Vanhorn to approve the request of Mr. Carpenter to modify his pension from “Service” to Disability in the Line of Duty” based on the medical information submitted. Ayes: Messrs. Cassady, Duncan, Vanhorn, Long, Cramer, Manek, Lay, Freeman, Adams, Stone, Kohls, and Soos. Nayas: None. Motion carried.

MICHAEL W. GIBSON/OKLAHOMA CITY - REQUEST APPROVAL TO MODIFY PENSION FROM “SERVICE” TO “DISABILITY IN THE LINE OF DUTY”:

Motion was made by Mr. Cramer and seconded by Mr. Long to approve the request of Mr. Gibson to modify his pension from “Service” to Disability in the Line of Duty” based on the medical information submitted. Ayes: Messrs. Cassady, Duncan, Vanhorn, Long, Cramer, Manek, Lay, Freeman, Adams, Stone, and Kohls, Soos. Nayas: None. Motion carried.

MICHAEL C. JONES/OKLAHOMA CITY – REQUEST APPROVAL TO MODIFY PENSION FROM “SERVICE” TO “DISABILITY IN THE LINE OF DUTY”:

Motion was made by Mr. Cramer and seconded by Mr. Long to approve the request of Mr. Jones to modify his pension from “Service” to Disability in the Line of Duty” based on the medical information submitted. Ayes: Messrs. Cassady, Duncan, Vanhorn, Long, Cramer, Manek, Lay, Freeman, Adams, Stone, and Kohls, Soos. Nayas: None. Motion

WILLIAM MCCAIN/OKLAHOMA CITY – REQUEST APPROVAL TO MODIFY PENSION FROM “SERVICE” TO “DISABILITY IN THE LINE OF DUTY”:

Motion was made by Mr. Soos and seconded by Mr. Vanhorn to approve the request of Mr. McCain to modify his pension from “Service” to Disability in the Line of Duty” based on the medical information submitted. Ayes: Messrs. Cassady, Duncan, Vanhorn, Long, Cramer, Manek, Lay, Freeman, Adams, Stone, and Kohls, Soos. Nayas: None. Motion

KENNETH SMITH/OKLAHOMA CITY – REQUEST APPROVAL TO MODIFY PENSION FROM “SERVICE” TO “DISABILITY IN THE LINE OF DUTY”:

Motion was made by Mr. Cramer and seconded by Mr. Long to approve the request of Mr. Smith to modify his pension from “Service” to Disability in the Line of Duty” based on the medical information submitted. Ayes: Messrs. Cassady, Duncan, Vanhorn, Long, Cramer, Manek, Lay, Freeman, Adams, Stone, and Kohls, Soos. Nayas: None. Motion

COWETA FIRE DEPARTMENT – REQUEST APPROVAL TO USE ANY LICENSED CPAT TEST FOR THEIR PHYSICAL PERFORMANCE/AGILITY TEST.

After discussing this issue, the Board referred this item to the Rules Committee.

FRANK STONE LEFT THE MEETING AT 11:00 A.M.

RECEIVE & FILE:

1. Insurance Premium Tax - \$52,680.04 – August 2015
2. Russell Investments - \$14,868.30 – July 2015

Motion was made by Mr. Cramer and seconded by Mr. Duncan to approve the above receive and file items. Ayes: Messrs. Cassady, Duncan, Vanhorn, Long, Cramer, Manek, Lay, Freeman, Adams, Kohls, and Soos. Nays: None. Motion carried.

ROBERT JONES/EXECUTIVE DIRECTOR REPORT:

Mr. Rankin reported that the Quarterly Internal Auditor Report had been received. Mr. Rankin said the annual audit starts next week.

Mr. Michael reported that the data conversion was going well. Mr. Michael said they were still at the beginning stages.

Mr. Michael reported that that a new contact was sent to the Salvation Army Building in regards to the office lease.

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

Motion was made by Ms. Kohls and seconded by Mr. Vanhorn to approve travel for Mr. Adams and Mr. Long to attend a conference in California February 25-28th and for Mr. Cramer and Mr. Lay to attend the Plan Sponsor conference in Florida, January 2016. Ayes: Messrs. Cassady, Duncan, Vanhorn, Long, Cramer, Manek, Lay, Freeman, Adams, Kohls, and Soos. Nays: None. Motion carried.

QUESTIONS & COMMENTS FROM BOARD MEMBERS & AUDIENCE:

Mr. Freeman asked how Plan B was impacting the Pension System financially.

OLD BUSINESS:

NEW BUSINESS:

NEXT MEETING DATE:

The Oklahoma Firefighters Pension and Retirement Board will meet September 18, 2015 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 11:20 A.M. Ayes: Messrs. Cassady, Duncan, Vanhorn, Long, Cramer, Manek, Lay, Freeman, Adams, Kohls, and Soos. Nays: None. Motion carried.

Submitted by Terri L. Williams, Executive Secretary.