

## MINUTES

The Oklahoma Firefighters Pension and Retirement Board met June 20, 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, Dana Cramer, Craig Freeman, Jim Long, Tom Smith, Janet Kohls, Scott Vanhorn, Raanon Adams, Matt Lay, 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; Chase Rankin, Controller

Visitors: Troy Brown and Tim Nash, Bogdahn Group; Christopher Good & Robert Foust, TA Associates; Michael Duignan, Robert Parise & Marcia Matthew, JP Morgan; Kenneth Wisdom & Harry Pierandri, Portfolio Advisors

Absent: Michael Duncan, Brandy Manek and Doug Jacobson

### **APPROVAL/MINUTES DATED MAY 16, 2014:**

Motion was made by Mr. Long and seconded by Mr. Adams to approve the minutes dated May 16, 2014. Ayes: Messrs. Vanhorn, Morrison, Lay, Freeman, Cramer, Long, Kohls, Adams, and Smith. 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 June 20, 2014. Ayes: Messrs. Morrison, Lay, Freeman, Cramer, Kohls, Adams, Vanhorn, Smith, and Long. Nays: None. Motion carried.

**TA ASSOCIATES REALITY/CHRISTOPHER GOOD & ROBERT FOUST:**

Mr. Good and Mr. Foust gave a presentation for TA Associates Reality.

	3 Months Ending <u>05/31/2014</u>	1 Year Ending <u>05/31/2014</u>	3 Years Ending <u>05/31/2014</u>
TA Associates Reality VII	0.76%	(10.01)%	0.03%
TA Associayes IX	2.52%	5.78%	8.13%
NCREIF Property Index	2.74%	11.18%	11.69%

**JP MORGAN/MICHAEL DUIGNAN, ROBERT PARISE & MARCIA MATTHEWS :**

Mr. Duignan, Mr. Parise and Ms. Matthews gave a presentation for JP Morgan.

	3 Months Ending <u>05/31/2014</u>	1 Year Ending <u>05/31/2014</u>	3 Years Ending <u>05/31/2014</u>
JP Morgan	3.16%	15.00%	13.93%
NCREIF Property Index	2.74%	11.18%	11.69%

**PORTFOLIO ADVISORS/KENNETH WISDOM & HARRY PIERANDRI:**

Mr. Wisdom & Mr. Pierandri gave a presentation for Portfolio Advisors:

	3 Months Ending <u>5/31/2014</u>	1 Year Ending <u>5/31/2014</u>	3 Years Ending <u>5/31/2014</u>
Portfolio Advisors III	7.50%	17.55%	7.64%
Portfolio Advisors IV	4.33%	20.32%	
NCRIF Property Index	2.74%	11.18%	11.69%

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

**1. Presenting Manager Review.**

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

**INVESTMENT COMMITTEE/SCOTT VANHORN – VICE-CHAIRMAN:**

**1. Review Investment Performance.**

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

	3 Months Ending <u>05/31/2014</u>	1 Year Ending <u>05/31/2014</u>	3 Years Ending <u>05/31/2014</u>
Total Fund	1.69%	13.96%	9.64%
Policy Benchmark	2.63%	14.45%	10.66%

**2. Discussion and Vote on Ply Gem Case.**

Motion was made by Mr. Vanhorn and seconded by Mr. Smith to seek lead plaintiff against Ply Gem and retain Robbins Geller Rudman & Dowd LLP to represent the System. Ayes: Messrs. Morrison, Lay, Smith, Freeman, Cramer, Kohls, Adams, Vanhorn, Stone, and Long. Nays: None. Motion carried.

**3. Discussion and Vote on Neustar Case.**

Motion was made by Mr. Vanhorn and seconded by Mr. Long to seek lead plaintiff status against Neustar Case and retain Bernstein Litowitz Berger & Grossmann LLP to represent the System. Ayes: Messrs. Morrison, Lay, Smith, Freeman, Cramer, Kohls, Adams, Vanhorn, Stone, and Long. Nays: None. Motion carried.

**RULES COMMITTEE/RAANON ADAMS/CHAIRMAN:**

**1. Discussion and Vote on Executive Director Salary.**

Motion was made by Mr. Adams and seconded by Mr. Cramer to move Executive Director Robert Jones salary to the of the top pay range as presented in the most recent OMES Remuneration Study for agency directors. Ayes: Messrs. Morrison, Lay, Smith, Freeman, Cramer, Kohls, Adams, Vanhorn, Stone, and Long. Nays: None. Motion carried.

**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. In re: Lehman Brothers Equity/Debt Securities Litigation, 08-cv-5523-LAK (S.D.N.Y.) (Saxena White)
4. Oklahoma Firefighters Pension v. Jefferies Group et al, Chancery Court of Delaware, Case No.
5. Reinschmidt v. Zillow, Inc. et al, Securities Litigation, Western
6. Gail Failkov v. Microsoft, Case 2-13-cv-02039 USDC WD Wash (Robbins Geller)
7. Lang v. Towers Group International, et al, Case No. 13-CV-5282, USDC, SDNY
8. Manabat v. Velti PLC, et al. Case No. 13-CV-4606 USDC ND Calif (Labaton)
9. Santore, et al. v. IXIA et al., Case No. CV 13-08440, (USDC CD Calif) (Grant)
10. In re: FX Litigation, Case No. 13-cv-07789 (SDNY) (Scott & Scott)
11. OFF v. K12, Inc. et al., Case No. 1:14-cv-01008 (USDC ED of Virginia) (BTBG)
12. In re: Safeway Inc., Case No. 9461, (Del. Ch. Ct.) (KTMC)
13. Abdul Awad. Et al. v. Herbalife, Ltd. Et al., Case No. CV 14-02850, (USDC CD Calif) (Saxena White)
14. Viswanath V. Shankar v. Imperva, Inc., et al., Case No. 14-CV-01680, (UDDC ND Calif) (Robbins Geller)
15. Report on the current status of all other litigation involving the Pension System.

Mr. Edwards said there was no litigation to report on.

**RAYMOND ELDRIDGE/HENRYETTA – APPLICATION FOR SERVICE PENSION:**

Motion was made by Mr. Adams and seconded by Mr. Cramer to enter into Executive Session. Ayes: Messrs. Morrison, Lay, Smith, Freeman, Cramer, Kohls, Adams, Vanhorn, Stone, and Long. Nays: None. Motion carried.

Motion was made by Mr. Long and seconded by Mr. Freeman to enter into Open Session. Ayes: Messrs. Morrison, Lay, Smith, Freeman, Cramer, Kohls, Adams, Vanhorn, Stone, and Long. Naves: None. Motion carried.

Motion was made by Mr. Adams and seconded by Mr. Freeman to approve the Application for Service Pension through December 19, 2006. Messrs. Morrison, Lay, Smith, Freeman, Cramer, Kohls, Adams, Vanhorn, Stone, and Long. Naves: None. Motion carried.

**CHAIRMAN CASEY MORRISON LEFT THE MEETING AND VICE-CHAIRMAN SCOTT VANHORN TOOK OVER THE MEETING.**

**RYAN LENZ/EDMOND – APPLICATION FOR “DISABILITY IN THE LINE OF DUTY” PENSION, EFFECTIVE JUNE 1, 2014:**

Motion was made by Mr. Cramer and seconded by Mr. Long to approve the Application for “Disability in the Line of Duty”, effective June 1, 2014. Ayes: Messrs. Morrison, Lay, Long, Vanhorn, Freeman, Kohls, Adams, Stone, Cramer, and Smith. Naves: None. Motion carried.

**DARYL G. NOBIS/LAWTON - APPLICATION FOR “DISABILITY IN THE LINE OF DUTY” PENSION, EFFECTIVE JUNE 1, 2014:**

Motion was made by Mr. Adams and seconded by Mr. Smith to approve the Application for “Disability in the Line of Duty”, effective June 1, 2014. Ayes: Messrs. Morrison, Long, Cramer, Duncan, Vanhorn, Kohls, Lay, Adams, Stone, and Smith. Naves: Stone. Motion carried.

**GARY L. COPLLAND/OKLAHOMA CITY - APPLICATION FOR “DISABILITY IN THE LINE OF DUTY” PENSION, EFFECTIVE JUNE 1, 2014:**

Motion was made by Mr. Long and seconded by Mr. Freeman to approve the Application for “Disability in the Line of Duty” to “Service”, effective June 1, 2014. Ayes: Messrs. Morrison, Lay, Kohls, Vanhorn, Freeman, Adams, Long, Cramer, and Smith. Naves: Stone. Motion carried.

**GUY R. HAND/OKLAHOMA CITY - APPLICATION FOR “DISABILITY IN THE LINE OF DUTY” PENSION, EFFECTIVE JUNE 1, 2014:**

Motion was made by Mr. Long and seconded by Mr. Cramer to approve the Application for “Disability in the Line of Duty”, effective June 1, 2014. Ayes: Messrs. Morrison, Lay, Kohls, Freeman, Vanhorn, Adams, Long, Cramer, Stone, and Smith. Naves: None. Motion carried.

**DAVID M. SOLE/OWASSO – APPLICATION FOR “DISABILITY IN THE LINE OF DUTY” PENSION, EFFECTIVE JUNE 1, 2014:**

Motion was made by Mr. Cramer and seconded by Mr. Adams to approve the Application for “Disability in the Line of Duty”, effective June 1, 2014. Ayes: Messrs. Morrison, Lay, Kohls, Freeman, Vanhorn, Duncan, Long, Cramer and Smith. Naves: Stone. Motion carried.

**JOSEPH KNIGHT/WISTER – APPLICATION FOR “DISABILITY NOT IN THE LINE OF DUTY” PENSION, EFFECTIVE AUGUST 6, 2011:**

Motion was made by Mr. Long and seconded by Mr. Adams to deny the Application for “Disability Not in the Line of Duty” and to have James Reynolds call Mr. Knight to make him aware that another doctor statement is needed. Ayes: Messrs. Morrison, Lay, Kohls, Freeman, Vanhorn, Adams, Long, Stone, Cramer and Smith . Naves: None. Motion carried.

**CONNIE D. AMERSON/MUSKOGEE– CONSIDERATION TO MODIFY PENSION FROM “SERVICE” TO “DISABILITY IN THE LINE OF DUTY”:**

Motion was made by Mr. Long and seconded by Mr. Adams to approve the request to modify Mr. Amerson’s pension to “Disability in the Line of Duty” based on the medical information submitted. Ayes: Messrs. Morrison, Vanhorn, Lay, Kohls, Adams, Long, Cramer, and Smith. Naves: Stone and Freeman. Motion carried.

**ROY ANDREWS/OKLAHOMA CITY - CONSIDERATION TO MODIFY PENSION FROM “SERVICE” TO “DISABILITY IN THE LINE OF DUTY”:**

Motion was made by Mr. Freeman and seconded by Mr. Stone to deny the request to modify Mr. Andrews’s pension to “Disability in the Line of Duty” based on the medical information submitted. Ayes: Messrs. Morrison, Vanhorn, Lay, Kohls, Adams, Long, Cramer, Stone, Freeman and Smith. Naves: None. Motion carried.

**LUCIOUS PATRICK/TULSA - CONSIDERATION TO MODIFY PENSION FROM “SERVICE” TO “DISABILITY IN THE LINE OF DUTY”:**

Motion was made by Mr. Long and seconded by Mr. Lay to approve the request to modify Mr. Patrick’s pension to “Disability in the Line of Duty” based on the medical information submitted. Ayes: Messrs. Morrison, Vanhorn, Lay, Kohls, Adams, Long, Cramer, Freeman and Smith. Naves: Stone. Motion carried.

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

**Money Managers**

Angelo Gordon  
Ardian  
Aronson & Partners  
Azul Holdco  
Brandywine Asset Management  
Capital Dynamics  
Chautauqua Asset Management  
Clarivest Asset Management LLC  
Delaware Investments  
Dune  
Earnest Partners  
Fred Alger  
Garcia Hamilton & Associates  
Hall Capital  
Herndon Capital Management  
INTECH  
JP Morgan  
Landmark  
Lord Abbett  
Medley  
Mesirow  
Orleans  
Pomona Capital  
Portfolio Advisors  
    Real Estate Fund III  
    Real Estate Fund IX  
    Real Estate Fund V  
Private Advisors, LLC  
River Road Asset Management  
State Street Global Advisors  
TA Associates  
    Realty Associates Fund VII  
    Realty Associates Fund IX  
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  
State Street Bank

Motion was made by Mr. Stone and seconded by Mr. Cramer to approve the above listed contracts for the new fiscal year beginning July 1, 2014. Ayes: Messrs. Morrison, Vanhorn, Lay, Kohls, Adams, Long, Cramer, Stone, Freeman and Smith. Nays: None. Motion carried.

**CHASE RANKIN/APPROVAL OF 2015 BUDGET:**

Motion was made by Mr. Stone and seconded by Mr. Adams to approve the 2015 Budget. Ayes: Messrs. Morrison, Vanhorn, Lay, Kohls, Adams, Long, Cramer, Stone, Freeman and Smith. Nays: None. Motion carried.

**RECEIVE & FILE:**

1. Insurance Premium Tax - \$15,475,314.43 – May 2014
2. Capital Institutional Services - \$1,617.75 – May 2014
3. Bristol-Myers Squibb - \$17.08 – May 2014
4. Sec v Dynegy Settlement - \$284.70 – May 2014

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

**ROBERT JONES/EXECUTIVE DIRECTOR REPORT:**

Mr. Jones said that a new trustee orientation presentation will be made next month instead of the monthly investment committee meeting.

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

Motion was made by Mr. Adams and seconded by Mr. Cramer to approve travel for Robert Jones and two staff members to meet with State Street in Kansas City, MO. Ayes: Messrs. Lay, Morrison, Long, Vanhorn, Adams, Stone, Kohls, Freeman, Cramer and Smith. Nays: None. Motion carried.

Motion was made by Mr. Long and seconded by Raanon Adam for Scott Vanhorn and Janet Kohls to attend the Public Funds Conference in July in Newport, RI. Messrs. Lay, Morrison, Long, Vanhorn, Adams, Stone, Kohls, Freeman, Cramer and Smith. Nays: None. Motion carried.

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

**OLD BUSINESS:**

**NEW BUSINESS:**

**NEXT MEETING DATE:**

The Oklahoma Firefighters Pension and Retirement Board will meet July 18, 2014 at 8:30 A.M. at the Lincoln Plaza Office Building at 4545 N. Lincoln Blvd., Oklahoma City, OK.

**ADJOURNMENT:**

Vice Chairman Scott Vanhorn adjourned the Board meeting at 12:35 P.M.

Submitted by Terri L. Williams, Executive Secretary.