

MINUTES

The Oklahoma Firefighters Pension and Retirement Board met May 18, 2012 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 David Thompson called the meeting to order.

Members Present: David Thompson, Gerald Garrett, Scott Vanhorn, Dana Cramer, Bert Norton, Jim Long, Casey Morrison, Bob Allen, and Janet Kohls

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

Visitors: Jason Pulos, Asset Consulting Group; Dana Dean, Thornburg Investment; Stephen Hamilton, Delaware Investments

Absent: Anita Breen, Frank Stone, Brandy Manek and Doug Jacobson

APPROVAL/MINUTES DATED APRIL 20, 2012:

Motion was made by Mr. Norton and seconded by Mr. Long to approve the minutes dated April 20, 2012. Ayes: Messrs. Thompson, Cramer, Vanhorn, Long, Morrison, Kohls, Garrett, Allen, and Norton. Nays: None. Motion carried.

THORNBURG INVESTMENT MANAGEMENT/DANA DEAN:

Ms. Dean gave a presentation for Thornburg Investment Management.

	3Months Ending <u>04/30/2012</u>	1 Year Ending <u>04/30/2012</u>	7/1/2009 Ending <u>04/30/2012</u>
Thornburg Investment Management	4.94%	(10.64)%	11.44%
MSCI EAFE	3.19%	(12.82)%	8.38%

DELAWARE INVESTMENT/STEPHEN HAMILTON:

Mr. Hamilton gave a presentation for Delaware Investment.

	3 Months Ending <u>04/30/2012</u>	1 Year Ending <u>04/30/2012</u>
Delaware Investment	8.71%	7.28%
Russell 2500 Growth	5.4%	(1.61)%

ASSET CONSULTING GROUP/JASON PULOS:

1. Presenting Manager Review.

Mr. Pulos reviewed the presenting managers to the Board.

INVESTMENT COMMITTEE/GERALD GARRETT –VICE- CHAIRMAN:

- 1. Review Investment performance.**

Mr. Pulos reviewed the monthly investment performance.

	3 Months Ending <u>04/30/2012</u>	1 Year Ending <u>04/30/2012</u>	3 Years Ending <u>04/30/2012</u>
Total Fund	4.46%	1.11%	12.58%
Policy Benchmark	4.27%	3.51%	14.46%

2. Review status of international equity searches and finalize due diligence trips.

It was reported that due diligence trips would be taken during late May and early June.

3. Review Pension System short-term cash requirements.

The Committee heard a report from Mr. Jones, no action was taken.

RULES COMMITTEE/CASEY MORRISON- CHAIRMAN:

1. Review specific issues related to possible overstatement of pension benefit related to contribution based on income earned unrelated to firefighter service.
 - a. Executive Session if deemed necessary by Legal Counsel pursuant to O.S. 25 Section 307 (B) (7).

- b. Vote to enter into Executive Session.
- c. Discussion on specific issues related to possible overstatement of pension benefit related to contributions based on income earned unrelated to firefighter service.
- d. Vote to enter into Open Session.

Mr. Morrison reported that the Committee reviewed the related issues, saw no problems, and took no action.

2. Review of issues related to federal income tax withholding on Plan B (DROP) Payments as compared to Plan A (monthly pension or disability) Payments.

Mr. Jones is going to prepare a report to explain the two different issues related to this issue.

REQUEST APPROVAL/CONSENT AGENDA, A COPY IS ATTACHED:

Motion was made by Mr. Long and seconded by Mr. Cramer to approve the Consent Agenda dated May 18, 2012. Ayes: Messrs. Thompson, Garrett, Vanhorn, Long, Morrison, Cramer, Allen, Norton, and Kohls. 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
3. Strayer Education.
4. Capella Education. (AFT) (Waddell)
5. Finisar Case. (AFT) (Waddell)
6. Miller Energy Resources (Grant & Eisenhoffer representatives)
7. Oklahoma Firefighters Pension & Retirement System v. Kevin R. Brine, et al and Delphi Financial Group, Inc. et al.
8. Discussion of potential federal securities claims that may be asserted against The Student Loan Corporation and authorization to take appropriate action.
9. In re Lehman Brothers Equity/Debt Securities Litigation, 08-cv-5523-LAK – Case No. 09-MD-2017 (LAK).

10. City of Henryetta v. Oklahoma Firefighters Pension and Retirement System and Raymond Eldridge, Oklahoma County District Court, Case No. CV_2012-772.

Mr. Edwards reported that the case was proceeding satisfactorily.

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

MATTHEW RICHARDSON/BROKEN ARROW – APPLICATION FOR “DISABILITY IN THE LINE OF DUTY” PENSION, EFFECTIVE MAY 1, 2012:

Motion was made by Mr. Long and seconded by Mr. Morrison to approve the Application for “Disability in the Line of Duty”, effective May 1, 2012. Ayes: Messrs. Thompson, Vanhorn, Norton, Long, Morrison, and Allen. Nays: Messrs. Cramer, Garrett and Kohls. Motion failed.

Motion was made by Mr. Garrett and seconded by Mr. Cramer to send Mr. Richardson to the State doctor for further review. Ayes: Messrs. Thompson, Garrett, Vanhorn, Long, Morrison, Kohls, Cramer, Norton, and Allen. Nays: None. Motion carried.

CRAIG YOUNG/IDABEL - APPLICATION FOR “DISABILITY IN THE LINE OF DUTY” PENSION, EFFECTIVE APRIL 24, 2012:

Motion was made by Mr. Norton and seconded by Mr. Cramer to approve the Application for “Disability in the Line of Duty”, effective April 24, 2012. Ayes: Messrs. Thompson, Garrett, Long, Morrison, Vanhorn, Kohls, Cramer, Norton, and Allen. Nays: None. Motion carried.

HUGH L. CRAWFORD/NORMAN – APPLICATION FOR “DISABILITY IN THE LINE OF DUTY” PENSION, EFFECTIVE MAY 1, 2012:

Motion was made by Mr. Norton and seconded by Mr. Cramer to modify the Application for “Disability in the Line of Duty” to “Service”, effective May 1, 2012. Ayes: Messrs. Thompson, Garrett, Long, Morrison, Kohls, Cramer, Vanhorn, Norton, and Allen.. Nays: None. Motion carried.

TERRY D. SCRIVNER/OKLAHOMA CITY – APPLICATION FOR “DISABILITY IN THE LINE OF DUTY” PENSION, EFFECTIVE MAY 1, 2012:

Motion was made by Mr. Cramer and seconded by Mr. Vanhorn to approve the Application for “Disability in the Line of Duty”, effective May 1, 2012. Ayes: Messrs. Thompson, Garrett, Long, Vanhorn, Morrison, Kohls, Cramer, Norton, and Allen. Nays: None. Motion carried.

BILLY W. CHMABERS/TULSA – APPLICATION FOR “DISABILITY IN THE LINE OF DUTY” PENSION, EFFECTIVE MAY 1, 2012:

Motion was made by Mr. Cramer and seconded by Mr. Long to modify the Application for “Service” to “Disability in the Line of Duty”, effective May 1, 2012. Ayes: Messrs. Thompson, Garrett, Long, Morrison, Kohls, Cramer, Vanhorn, Norton, and Allen. Nays: None. Motion carried.

PATRICK G. HOPKINS/OKLAHOMA CITY /COWETA – REQUEST TO CHANGE PENSION FROM “SERVICE” TO “DISABILITY IN THE LINE OF DUTY”:

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

TRAVIS WHITE/SHAWNEE – REQUEST TO CHANGE PENSION FROM “SERVICE” TO “DISABILITY IN THE LINE OF DUTY”:

Motion was made by Mr. Long and seconded by Mr. Morrison to approve Mr. White’s request to change his pension from “Service” to “Disability in the Line of Duty based on the medical information submitted. Ayes: Messrs. Thompson, Garrett, Vanhorn, Long, Morrison, Cramer, Norton, Allen, and Kohls. Nays: None. Motion carried.

KEVIN A. GILLIAM/TULSA – REQUEST TO CHANGE PENSION FROM “SERVICE” TO “DISABILITY IN THE LINE OF DUTY”

Motion was made by Mr. Long and seconded by Mr. Morrison to approve Mr. Gilliam’s request to change his pension from “Service” to “Disability in the Line of Duty” based on the medical information submitted. Ayes: Messrs. Thompson, Garrett, Vanhorn, Long, Morrison, Cramer, Norton, Allen and Kohls. Nays: None. Motion carried.

MITCH PARNELL/TULSA – REQUEST TO CHANGE PENSION FROM “SERVICE” TO “DISABILITY IN THE LINE OF DUTY”

Motion was made by Mr. Norton and seconded by Mr. Cramer to approve Mr. Parnell’s request to change his pension from “Service” to “Disability in the Line of Duty” based on the medical information submitted. Ayes: Messrs. Thompson, Garrett, Vanhorn, Long, Morrison, Cramer, Norton, Allen, and Kohls. Nays: None. Motion carried.

Motion was made by Mr. Morrison and seconded by Mr. Long that additional medical documentation be given to the State Board and then send the Local Board the documentation presented. Ayes: Messrs. Morrison. Nays: Thompson, Garrett, Vanhorn, Long, Cramer, Norton, Allen and Kohls. Motion failed.

J) ROBERT JONES/APPROVAL OF THE FOLLOWING CONTRACTS:

Money Managers

Aronson & Partners
Artio Global Management
Attalus Capital
Brandywine Asset Management
Delaware
Earnest Partners
Fred Alger
Grosvenor Capital Management
Herndon Capital Management
Intech
JP Morgan Fleming
Lord Abbett
Pequot/AZUL
Portfolio Advisors
Private Advisors
River Road Asset Management
State Street Global Advisors
TA Associates
Thornburg Investment Management

Other Professionals

Asset Consulting Group
Robert Palesano
Buck Consultants

Legal

Phillips Murrah
Davis, Graham & Stubbs

Accounting/Auditing

Finley & Cook
Crawford & Associates
State Street Bank

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

K) DUANE MICHAEL/APPROVAL OF 2012 BUDGET:

Motion was made by Mr. Garrett and seconded by Mr. Cramer to approve the 2012 budget as presented. Ayes: Messrs. Thompson, Garrett, Vanhorn, Long, Morrison, Cramer, Norton, Allen and Kohls. Nays: None. Motion carried

RECEIVE & FILE:

1. Realty Associates - \$163,576.00 – Dividends
2. Realty Associates - \$133,450.00 – Dividends
3. Qwest Victims Remission Fund - \$787.74 – Securities Litigation
4. Adelphia Victim Remission Fund - \$1030.79- Securities Litigation
5. Insurance Premium Tax - \$12,808,535.97 – May 2012

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

ROBERT JONES/EXECUTIVE DIRECTOR REPORT:

Mr. Jones said he had nothing to report.

Mr. Michael reported that the internal audit had been performed and there was one error and that was a pension miscalculation.

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

No action was taken.

QUESTIONS & COMMENTS FROM BOARD MEMBERS & AUDIENCE:

Mr. Norton inquired about the technical bill, SB 1588.

Mr. Norton said this would be his last meeting and he had enjoyed serving.

Mr. Garrett said Mr. Norton always wanted to learn more to help him make good decisions and the Board was better because of his service.

NEW BUSINESS:

NEXT MEETING DATE:

The Oklahoma Firefighters Pension and Retirement Board will meet June 15, 2012 at 8:30 A.M. at the Lincoln Plaza Office Building at 4545 N. Lincoln Blvd., Oklahoma City, OK.

ADJOURNMENT:

Mr. Thompson adjourned the Board meeting at 11:35 A.M.

Submitted by Terri L. Williams, Executive Secretary.