

COMMISSIONERS OF THE LAND OFFICE

Regular Investment Meeting Minutes

**Wednesday, December 13, 2017, at 1:00 p.m.
Large Conference Room
Commissioners of the Land Office– Ninth Floor
Oklahoma City, Oklahoma**

Notice was posted online with the Secretary of State on November 16, 2016. Public notice was also posted on the Commissioners of the Land Office website and at the Commissioners of the Land Office on Tuesday, December 11, 2017, before 1:00 p.m.

PRESENT:

Mathangi Shankar, Investment Committee Member
Joe Williams, Investment Committee Member

CLO STAFF PRESENT:

Harry W. Birdwell, Secretary
Keith Kuhlman, Assistant Secretary
Karen Johnson, Chief Financial Officer
Lisa Blodgett, General Counsel
Edward Romero, Financial Manager/Comptroller
Susan Greenwood, Administrative Assistant

VISITORS:

Mark Higgins, RVK
Robert Kindt, BOK

Karen Johnson called the meeting to order at 1:09 p.m., confirmed proper posting of the meeting notice, ensured the presence of a quorum, and called the roll.

Shankar: Present
Tinsley: Absent
Williams: Present

1. Request Approval of Minutes for Regular Meeting held September 13, 2017

- a. Presented by Karen Johnson, CFO*
- b. Discussion*
- c. Action in which the Committee may approve or disapprove the matter and/or direct staff to take further action*

This agenda item was presented by Karen Johnson, CFO. A MOTION was made by Committee Member Williams and seconded by Committee Member Shankar to approve the minutes of the September 13, 2017, meeting.

Williams Aye
Shankar Aye Motion Carried

2. Presentation of September 2017 Quarterly Investment Performance by RVK (informational purposes only)

- a. Presented by Mark Higgins, RVK*
- b. Discussion*

This agenda item was presented by Mark Higgins.

3. Presentation of October 2017 Flash Report and November 2017 Preliminary Flash Report by RVK (informational purposes only)

- a. Presented by Mark Higgins, RVK*
- b. Discussion*

This agenda item was presented by Mark Higgins.

4. Consideration and Possible Action to Terminate an Equity Manager and Reallocate Funds to an Existing Manager

- a. Presented by Karen Johnson, CFO*
- b. Discussion*
- c. Action in which the Committee may approve or disapprove the matter and/or direct staff to take further action*

This agenda item was presented by Karen Johnson. Mark Higgins, RVK, recommended to terminate the investment contract with DePrince, Race & Zollo and move the funds to Vanguard Hi-Dividend Yield Index Fund. A MOTION was made by Committee Member Williams and seconded by Committee Member Shankar to recommend to the Commissioners to terminate the investment contract with DePrince, Race & Zollo and to move the funds over to the Vanguard Hi-Dividend Yield Index Fund. The motion carried.

Williams Aye
Shankar Aye Motion Carried

5. Asset Allocation Presentation (Informational Purposes)

This agenda item was presented by Mark Higgins.

6. Investment Manager Update (Informational Purposes)

This agenda item was presented by Mark Higgins.

7. Request Approval of Proposed Investment Committee Meeting Dates for 2018

- a. *Presented by Karen Johnson, CFO*
- b. *Discussion*
- c. *Action in which the Committee may approve or disapprove the matter and/or direct staff to take further action*

This agenda item was presented by Karen Johnson. Johnson announced that there will be no January meeting scheduled for 2018. Committee Member Shankar mentioned she will not be able to attend the February meeting. A MOTION was made by Committee Member Williams to accept the proposed dates and Committee Member Shankar seconded. The motion carried.

Williams Aye
Shankar Aye Motion Carried

8. Executive Session

Executive Session may be convened pursuant to 25 O.S. § 307(B) (3) & (D) for discussing the purchase or appraisal of real property in Canadian County

- a. *Recommendation of General Counsel, Lisa Blodgett, to adjourn to Executive Session*
- b. *Motion and Vote to Convene Executive Session*
- c. *Executive Session*
- d. *Motion and Vote to Return to Regular Session*

This agenda item was presented by Lisa Blodgett, General Counsel who recommends that an executive session be convened.

A MOTION was made by Committee Member Williams and seconded by Committee Member Shankar to adjourn to an executive session at 1:59 p.m.

Williams: Aye
Shankar Aye Motion Carried

A MOTION was made by Committee Member Williams and seconded by Committee Member Shankar to return to regular session at 2:13 p.m.

Williams: Aye
Shankar Aye Motion Carried

9. Proposed Action on Executive Session Items

The Investment Committee may further consider and take action in open session related to executive session agenda items.

- a. *Action in which the Investment Committee may approve, disapprove or table the matter and/or direct staff to take further action.*

A MOTION was made by Committee Member Williams and seconded by Committee Member Shankar. The Investment Committee recommends that the Commissioners authorize the Secretary to execute a Sales and Acquisition Agreement to acquire the industrial properties discussed in executive session, described as: 10625 NW 4th Street, 10630 NW 4th Street and 15024 HWY66, Canadian County, Oklahoma, in the amount of \$5,849,000, plus exchange of CLO property described as the NE/4 of Section 36-16N-6WIM,, less 1.54 Acres, Kingfisher County, and 0.4695 Acres described as Lots 12, 13 and 14, Block 1, Capitol Park Addition to the City of Oklahoma City, Oklahoma County, Oklahoma, all based on appraised values and pursuant to authorization contained in title 64, sections 1002 & 1013 of the Oklahoma Statutes and closing costs of \$40,000.

Williams: Aye
Shankar Aye Motion Carried

10. New Business

The Committee may discuss, consider and take possible action regarding new business that could not have been reasonably anticipated or was unknown prior to the regular meeting.

No new business was presented.

A MOTION was made by Committee Member Shankar and seconded by Committee Williams to adjourn the meeting.

Shankar Aye
Williams Aye Motion Carried

The meeting was adjourned at 2:17 p.m.