

MINUTES
BOARD OF TRUSTEES
OKLAHOMA MUNICIPAL RETIREMENT FUND
February 26, 2016

1. Call To Order

The Board of the Oklahoma Municipal Retirement Fund met at the Oklahoma Municipal Retirement Offices, Oklahoma City, Oklahoma, on February 26, 2016, at 10:00 a.m. with Vice-Chair Lamb presiding. On roll call, the following members were present:

BOARD OF TRUSTEES

Vice-Chair: Marcy Lamb, Retiree, City of Stillwater
Secretary: Bertha Ann Young, Retiree, City of Shawnee
Treasurer: Leroy Lage, Retiree, City of Watonga
Members: Donna Doolen, Finance Director-Treasurer, City of Ada
Robert Johnston, City Manager, City of Frederick
Robert Park, Retiree, City of Sallisaw
John Shugart, City Manager, City of Bethany
Ed Tinker, Retiree, City of Glenpool

OTHERS PRESENT:

OkMRF Staff: Jodi Cox, CEO & Director
Chris Whatley, Plan Advisor & Portfolio Strategist
Rhnea Stewart, Fund Accountant

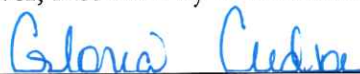
OkMRF Attorney: David Davis

Others: Haley Rives ACG
Sean Sullivan, Dean Actuaries

Shugart opened the meeting with prayer and Cox led the Pledge of Allegiance.

Lamb welcomed everyone and called the meeting to order.

NOTICE: The agenda for the February 26, 2016, meeting was posted in the Central Park Tower, first floor by 10:00 a.m. on February 25, 2016, by Gloria Cudjoe



Signature

2. Approval of Consent Agenda

The following items were presented under the consent agenda.

A. Minutes of January 29, 2016, Meeting(s)

B. Monthly Valuation of Fund Assets by Custodian

Option	Value By Fund
Defined Benefit	\$ 459,657,818.47
International Investment Equity	7,874,995.75
Aggressive Equity	18,402,468.52
Global Equity	794,980.04
Growth and Value Equity	18,902,544.51
S & P 500 Index	19,453,299.21
Target Retirement 2060	340,931.52
Target Retirement 2055	1,652,965.62
Target Retirement 2050	4,088,653.23
Target Retirement 2045	6,927,206.45
Target Retirement 2040	10,729,455.57
Target Retirement 2035	14,575,498.73
Target Retirement 2030	18,286,467.27
Target Retirement 2025	31,572,587.13
Target Retirement 2020	29,832,611.03
Target Retirement Income	27,681,866.75
Total Yield Bond Fund	8,296,247.98
Bond Index ¹	11,953,509.55
Voya Fixed Plus III	38,164,711.18
Loan Portfolio	9,558,374.12
Self Directed Brokerage	41,464.31
Total Assets	\$ 738,788,656.94

C. Purchases and Sales of Assets

D. Administrative Expenses and Fees

Expenses and Fees for February

Actuary & Recordkeeping	34,667
Administration	68,687
Attorney	3,950
Audit	3,250
Board Travel	2,036
DC Plan - Prefunded Expenses	-

Employer Directed Expense	-
Insurance	-
Investment Advisors	15,036
Custodial	10,499
Investment Consultant	-
Public Relations	464
Representative Travel	<u>1,442</u>
EXPENSES	<u><u>140,031</u></u>

E. Benefit Payments and Contribution Refunds

Motion made by Shugart, seconded by Tinker to approve all items on the Consent Agenda.

Motion carried: AYE: Doolen, Johnston, Lage, Lamb, Park, Shugart, Tinker and Young

NAY: None

3. Consideration and Possible Action of Items Removed from the Consent Agenda

No action taken.

4. Comments from Public

None.

5. Consideration and Possible Action Regarding Investment Committee Report

A. ACG: Review of Monthly ASAP and Quarterly Performance Report

Rives provided market updates discussing China and the Federal Reserve policies. She reported to expect low growth rates; difficult markets in short term and strain on fixed income managers when under weighted to Treasuries. ACG is comfortable with diversification of portfolio to provide protection in down markets, noting real estate allocation should continue to perform strongly.

B. ACG: Consideration and Possible Action to Add International Growth Manager as a 25% Component in the DC International Fund Option

Motion made by Shugart, seconded by Lamb to add Vontobel Asset Management, Inc. as the 25% growth component in the DC International Investment Equity Fund Option, reducing the core, passive component with SSgA from 50% to 25%.

Motion carried: AYE: Doolen, Johnston, Lage, Lamb, Park, Shugart, Tinker and Young

NAY: None

C. Ratification of Executed Agreement with River Road Asset Management for the DB Small Cap Value Mandate

Motion made by Shugart, seconded by Tinker, to ratify the actions of staff in executing the agreement with River Road Asset Management.

Motion carried: AYE: Doolen, Johnston, Lage, Lamb, Park, Shugart, Tinker and Young

NAY: None

D. Consideration and Possible Action on Reallocation and/or Rebalancing of Assets Among Investment Managers

No action taken.

6. Consideration and Possible Action Regarding Administrative Committee Report

A. Approve Renewal of Fiduciary Liability and Crime Insurance Policies

Doolen, Administrative Committee Chair, requested Cox to provide update on renewing the policies. Cox reported CHUBB provided the best fiduciary liability policy and fee for the renewal period of April 1, 2016 through April 1, 2017. The employee crime and theft policy will be renewed with Travelers for the same period. Both premium fees were modestly lower than the previous year.

Motion made by Doolen, seconded by Tinker, to renew the fiduciary liability policy with CHUBB and the employee crime and theft policy with Travelers for the period of April 1, 2016 through April 1, 2017.

Motion carried: AYE: Doolen, Johnston, Lage, Lamb, Shugart, Tinker and Young

NAY: None

(Park not present for vote)

7. Consideration and Possible Action Regarding Contract Committee Report

A. Consideration and Possible Action Regarding Review of Vendor Evaluations

Lamb, Contract Committee Chair, reported that vendor evaluations were reviewed and discussed with staff. At this time, no changes are recommended to existing vendors. Cox reported a potential change for the Defined Benefit (DB) custodial and benefit payment services platform. Transition, if required, is projected to be by end of calendar year. The DB custodian, JPMorgan, will be making a presentation to the Board during the May meeting.

B. Dean Actuaries, LLC: Consideration and Possible Acceptance of the Summary of Actuarial Funding Results July 1, 2015 – Sean Sullivan

Sullivan presented the results of the actuarial funding report as of July 1, 2015 with the funding rates effective July 1, 2016. The overall total contribution rate decreased .88% for all cities, overall funding ratio increased to 88.9% as compared to 75% in 2010, with demographics remaining stable. He noted with current market conditions, cities need to refrain from plan enhancements and consider funding their plan at last year's higher contribution rate. In addition, surplus plans should consider leaving their surplus intact and

contributing the normal costs. The cover letter will explicitly state this market concern in this year's actuarial studies. Sean will review the actual FY 15-16 returns in the July 2016 meeting. Staff will communicate as early as possible the market impact for our Members' for the FY 17-18 contribution rate.

Motion made by Shugart, seconded by Park, to receive the Summary of Actuarial Funding Results as of July 1, 2015.

Motion carried: AYE: Doolen, Johnston, Lage, Lamb, Park, Shugart, Tinker and Young

NAY: None

C. Dean Actuaries, LLC: Consideration and Possible Acceptance of the Summary of GASB Accounting Results July 1, 2015 - Sean

Sullivan discussed the implementation year and our current second year of GASB 68. He received limited inquiries from auditors with an additional information request from one auditor who provides services to nine member cities. He had no request for cash flow projections. 79 accounting reports will be issued for the July 1, 2015, measurement date.

Motion made by Park, seconded by Shugart, to receive the Summary of GASB Accounting Results with measurement date of July 1, 2015.

Motion carried: AYE: Doolen, Johnston, Lage, Lamb, Park, Shugart, Tinker and Young

NAY: None

8. Receive Report on Newly Adopted or Amended OkMRF Member Plans

Whatley reported on the plan changes for the OkMRF members, reporting a new member, Town of Union City. The newly adopted or amended OkMRF member plans received and signed by the Vice-Chair and Secretary.

No action taken.

9. OkMRF Staff Report

Cox reported on the following items:

- GASB 68 audit starts next week.
- Staff is focusing on visiting cities and teaching them how to utilize the new recordkeeping system.
- Positive feedback was received from the City of Stillwater related to Whatley's recent employee visits.
- Discussed support of the Oklahoma Hall of Fame program for cities and towns and encouraged early nominations.
- Reminder to pay Davis for your personal fiduciary liability premium fees.
- Congratulations to Shugart for his retirement from the City of Bethany.

10. New Business

None.

11. Trustee/Member Comments

None.

12. **Adjourn**

With no further business to conduct meeting adjourned.



Bertha Ann Young, Secretary



Marcy Lamb, Vice-Chair

Respectfully submitted by:



Rhnea Stewart