

**MINUTES**  
**BOARD OF TRUSTEES**  
**OKLAHOMA MUNICIPAL RETIREMENT FUND**  
**March 31, 2016**

**1. Call To Order**

The Board of the Oklahoma Municipal Retirement Fund met at the Oklahoma Municipal Retirement Offices, Oklahoma City, Oklahoma, on March 31, 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 (*arrived 10:41 a.m.*)  
Robert Park, Retiree, City of Sallisaw (*arrived 10:08 a.m.*)  
John Shugart, Retiree, 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

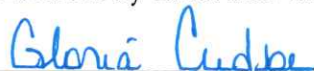
OkMRF Attorney: David Davis

Others: George Tarlas, ACG  
Tom Janisch, ACG  
Warren DeKinder, INTECH  
Nancy Holden, INTECH  
Jim Lockett, Jr.

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

Lamb welcomed everyone and called the meeting to order.

**NOTICE:** The agenda for the March 31, 2016, meeting was posted in the Central Park Tower, first floor by 10:00 a.m. on March 30, 2016, by Gloria Cudjoe



Signature

**2. Approval of Consent Agenda**

The following items were presented under the consent agenda.

**A. Minutes of February 26, 2016, Meeting(s)**

**B. Monthly Valuation of Fund Assets by Custodian**

Option	Value By Fund
Defined Benefit	\$ 459,061,166.46
International Investment Equity	\$ 7,565,154.97
Aggressive Equity	\$ 18,217,078.81
Global Equity	\$ 900,712.91
Growth and Value Equity	\$ 18,408,869.78
S & P 500 Index	\$ 19,392,572.21
Target Retirement 2060	\$ 370,676.90
Target Retirement 2055	\$ 1,739,715.76
Target Retirement 2050	\$ 4,132,187.23
Target Retirement 2045	\$ 7,042,937.91
Target Retirement 2040	\$ 10,644,306.65
Target Retirement 2035	\$ 14,860,485.60
Target Retirement 2030	\$ 18,709,781.79
Target Retirement 2025	\$ 31,135,343.32
Target Retirement 2020	\$ 29,747,905.02
Target Retirement Income	\$ 27,094,771.31
Total Yield Bond Fund	\$ 8,187,895.55
Bond Index	\$ 12,332,951.33
Voya Fixed Plus III	\$ 38,245,945.89
Loan Portfolio	\$ 9,597,218.92
Self Directed Brokerage	\$ 41,649.28
Total Assets	\$ 737,429,327.60

**C. Purchases and Sales of Assets**

**D. Administrative Expenses and Fees**

**Expenses and Fees for March**

Actuary & Recordkeeping	35,033
Administration	68,561
Attorney	6,550
Audit	9,000
Board Travel	1,235
DC Plan Est. 10-2015 Expenses <sup>1</sup>	0
Employer Directed Expense	0
Insurance	81,698
Investment Advisors	15,000
Custodial	12,651
Investment Consultant	29,000
Public Relations	-46
Representative Travel	<u>1,925</u>
EXPENSES BEFORE CREDITS	<u>260,607</u>

**E. Benefit Payments and Contribution Refunds**

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

Motion carried: AYE: Doolen, Lage, Lamb, 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**

**5. INTECH: Annual Update from Investment Manager -- Warren DeKinder and Nancy Holden**

DeKinder introduced Holden as head of client services. Holden provided an update on the firm reporting the addition of three PhD's and a marketing officer. The markets were narrow for

alpha trading during 2015, top ten market cap stocks of both the S&P 500 and Growth were high performers within the modest overall returns for both indexes. DeKinder finished up by reviewing their newly published methodology of Measuring the Trading Profit Contribution.  
No action taken.

6. **Consideration and Possible Action Regarding Investment Committee Report**

A. **ACG: Review of Monthly ASAP Report**

Tarlas reviewed the ASAP reports, discussed portfolio managers leaving JPM fixed income operations, informed Trustees to expect market volatility going forward and noted the real estate allocation has been doing great for an extended period of time. He reviewed ACG recommendation to not fund Vontobel for the international growth allocation in the DC International Investment Equity Option due to the announced departure of the lead portfolio manager.  
No action taken.

B. **ACG: Consideration & Possible Action Regarding DB Investment Policies & Guidelines**

Tarlas reviewed the changes for the policy and guidelines. The modifications were summarized as language clean up and to mirror recent changes from the DC Investment Policies and Guidelines approved in September 2015. Also, to update allocations by manager specific and plan return objective for policy index to be 65% MSCI All Country World Index (ACWI), 30% Barclays Capital U.S. Aggregate Bond Index and 5% NCREIF Index.

Motion made by Tinker, seconded by Shugart to amend the DB Investment Policies & Guidelines as recommended by ACG.

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

NAY: None

C. **ACG: Consideration & Possible Action Regarding DC Investment Policies & Guidelines**

Tarlas reviewed the changes for the policy and guidelines. The changes were summarized as language clean up with no substantive changes since the September 2015 amendments.

Motion made by Tinker, seconded by Shugart to amend the DC Investment Policies & Guidelines as recommended by ACG.

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

NAY: None

D. **Consideration and Possible Action Regarding Long/Short Allocation**

Janisch provided an update on the long/short allocation. He reported on changes in net exposure, comparisons of returns from 2015 to first quarter of 2016 and allocation positioned to protect on the down side of overall market.  
No action taken.

**E. Consideration and Possible Action to Rescind February 26, 2016, Action Item 5.B. to Allocate 25% of the DC International Equity Fund Option to Vontobel**

Due to a press release and notification from ACG that lead portfolio manager will be leaving Vontobel at the first of May, ACG recommends that the funding for this manager be rescinded until a replacement manager is brought forth for Board consideration.

Motion made by Shugart, seconded by Tinker to rescind the 25% allocation to the DC International Investment Equity Option, Item 5.B. of the February 26, 2016 meeting.

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

NAY: None

**F. Consideration & Possible Action on Reallocation and/or Rebalancing of Assets Among Investment Managers**

No action taken.

**7. Consideration and Possible Action Regarding Administrative Committee Report**

**A. Consideration and Possible Action Regarding Executive Director Review**

Doolen reported on behalf of the Administrative Committee that primary goals of CEO were met. Doolen reported on all the unforeseen events and commended Cox for accomplishments noting employment contract continues until Board or CEO decides otherwise. The Executive Director will be prioritizing goals and objectives for the next 12-month period. Doolen requested Board to provide recommendations, if any, to Executive Director.

No action taken.



**8. Consideration and Possible Action Regarding Contract Committee Report**

No action taken.

**9. Receive Report on Newly Adopted or Amended OkMRF Member Plans**

Whatley reported on the plan changes for the OkMRF members, discussion ensued on Guymon's partial plan termination and freezing of their DB plan. The newly adopted or amended OkMRF member plans received and signed by the Vice-Chair and Secretary.

No action taken.

**10. OkMRF Staff Report**

Cox reported on the following items:

- Trustee retreat will be held at the Colcord Hotel, with a starting time of 9:00 a.m. on May 25, 2016.
- The Public Funds Conference, hosted by Oklahoma Teachers, will be September 28, 2016 in Tulsa, Ok.
- GASB 68 field work completed and report will be presented by Finley & Cook at the April meeting.
- A brief update concerning building and office space was given. Current lease will expire in 2017, but due to the major tenant reducing occupancy, renewable office space options may be available.

- Marketing information piece was provided that focuses on Trustee duties and responsibilities.
- Staff has been visiting member cities, getting the participants signed into the new recordkeeping system and providing training on navigation within the application.
- Stillwater Medical Center was initially targeted to terminate their DC plan on April 1 but they are not ready and have no specific date planned. The DB plan will remain.
- A verbal resignation was received from the Board Chairman Wilkinson, District 7, after 34 years of service and 20 years as Chairman. The resignation creates a vacancy on the Board. Vice-chair will assume all duties of the Chairman. Therefore, Vice-Chair Lamb will need to bring forth an appointment from District 7 to seek confirmation of a majority vote of Trustees to serve the remaining four years of the vacated position.
- A conference call was made to Wilkinson to thank him and express gratitude to him for his years of service and leadership. All noting he will be greatly missed.

11. New Business


None.

12. Trustee/Member Comments

Davis made the suggestion to bestow Trustee Emeritus status to Wilkinson. Additional ideas were discussed on how to honor his service and leadership. The Board of Trustees directed a Proclamation to honor and declare Wilkinson Trustee Emeritus, to establish an annual award in his honor for an authorized agent's outstanding performance and to present him with a plaque.

13. Adjourn

With no further business to conduct meeting adjourned.

  
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Bertha Ann Young, Secretary

  
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Marcy Lamb, Vice Chair

Respectfully submitted by:

  
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Rhnea Stewart