

MINUTES
A SPECIAL MEETING OF THE BOARD OF TRUSTEES OF THE
OKLAHOMA MUNICIPAL RETIREMENT FUND
May 25, 2016

1. Call To Order

The Board of the Oklahoma Municipal Retirement Fund met at Colcord Hotel, 15 N. Robinson Ave, Oklahoma City, Oklahoma on May 25, 2016, at 9:00 a.m. for Trustee Retreat. No action was taken the retreat is purely educational and for discussion purposes only.

BOARD OF TRUSTEES

Chair: Marcy Lamb, Retiree, City of Stillwater
Vice-Chair: John Shugart, Retiree, City of Bethany
Members: Donna Doolen, Finance Director-Treasurer, City of Ada
Leroy Lage, Retiree, City of Watonga
Jim Lockett, Jr., Retiree, City of Thomas
Robert Johnston, City Manager, City of Frederick
Robert Park, Retiree, City of Sallisaw

OTHERS PRESENT:

OkMRF Staff: Jodi Cox, Executive Director/CEO
Chris Whatley, Plan Advisor & Portfolio Strategist
Rhnea Stewart, Fund Accountant
Gloria Cudjoe, Executive Office Assistant

OkMRF Attorney: David Davis

Others: Charles Nelson, Voya
Stephen Thompson, Voya
Haley Rives, ACG
Lonnie Lowry, Panhandle Oil & Gas (arrived at 1:03 pm.)
Paul Blanchard, Panhandle Oil & Gas (arrived at 1:03 pm.)
Deltra Hayes, Voya
Jane Spatola, Voya
Jason Pulos, ACG

NOTICE: The agenda for the May 25, 2016, Trustee Retreat meeting was posted by 9:00 a.m. on May 23, 2016, at Colcord Hotel, 15 N. Robinson Ave, Oklahoma City, Oklahoma and in the Central Park Tower I, first floor by 9:00 a.m. on May 23, 2016, by Gloria Cudjoe.


Signature

2. **Opening Comments**

Cox welcomed all in attendance and made remarks about OkMRF celebrating 50 years. Appreciation expressed to ACG and Voya for assisting in sponsoring the Trustee Retreat.

3. **Absolute Return Fixed Income**

Rives reviewed the option of adding a liquid absolute return allocation to the DB fixed income portfolio. Absolute return should enhance consistency of positive returns irrespective of the interest rate environment. The implementation of adding to the portfolio was briefly discussed. An implementation funding plan and targets will be provided during the second half of 2016 if the Board determines this appropriate.

4. **Opportunistic Real Estate**

Pulos provided comparative information on real estate options and fundamentals of real estate as it hedges against inflation, provides diversification and lowers volatility of portfolio. He further educated on the liquidity aspects of real estate investing. The implementation strategies, both advantages and disadvantages, of an opportunistic allocation were discussed as to the sustained commitment, continued dedication and decision making needed for tactical implementation.

5. **Break**

Unveiling of OkMRF 50th year celebration video produced by Staff and Voya marketing team.

6. **State of Voya Address**

Nelson provided an update and overview on Voya Financial. He provided an outline of their vision and mission statements, line of business that supports retirement preparedness, recent highlights of company and an update on branding and cultural environment. He emphasized client partnerships and the importance of innovation and digital technologies with the correlation of behavioral science and a good value proposition to help individuals and sponsors improve retirement readiness for plan participants.

7. **Lunch**

8. **Impact of the Oil & Gas Industry on Municipalities Perspective by Panhandle Oil and Gas**

Lowry provided an overview of cash flow situations that impact financial problem areas within the oil and gas industries from the timing of leases, capital expenditures, prices of the commodity to debt stress and local banks and impairments with non-cash write offs.

Blanchard provided an overview of the oil and gas industry covering bankruptcies, supply and demand for gas, oil and coal, imports and exports current and future expectations and the future of crude oil in Oklahoma.

9. **Fracking: The Rest of the Story**

Blanchard then explained the theory of horizontal drilling and hydraulic fracturing, an overview of salt water disposal wells, and a mapping of recent earthquake activity and salt water injection disposal sites.

10. **Break**

11. **Real Assets Investment Option**


Rives briefly reviewed that a DC Real Assets investment option was approved during the conversion to the Voya daily recordkeeping platform but had not been implemented as of yet. This would provide a good investment opportunity for participants because of its correlation to inflation and providing additional diversification options. This option could be established as a customized "white fund" or a mutual fund, with no minimums required due to being on Voya platform. Components of the customized fund could be REITs, commodities, TIPs. ACG will be discussing further at regular board meeting for Board consideration.

12. **Closing Comments**

Cox provided closing comments and special thanks to the presenters. Information provided for the evening events being co-sponsored by OkMRF and Voya.

14. **Adjourn**

Adjourned at 3:59 p.m.




Bertha Ann Young, Secretary



Marcy Lamb, Chair

Respectfully submitted by:



Rhnea Stewart