

MINUTES
BOARD OF TRUSTEES
OKLAHOMA MUNICIPAL RETIREMENT FUND
June 24, 2016

1. Call To Order

The Board of the Oklahoma Municipal Retirement Fund met at the Oklahoma Municipal Retirement Offices, Oklahoma City, Oklahoma, on June 24, 2016, at 10:02 a.m. with Chair Lamb presiding. On roll call, the following members were present:

BOARD OF TRUSTEES

Chair: Marcy Lamb, Retiree, City of Stillwater
Vice-Chair: John Shugart, Retiree, City of Bethany
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
Jim Lockett, Jr., Retiree, Thomas

OTHERS PRESENT:

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

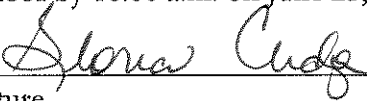
OkMRF Attorney: David Davis

Others: Haley Rives, ACG (*via telephone*)
David Settles, SSgA

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 June 24, 2016, meeting was posted in the Central Park Tower, first floor by 10:00 a.m. on June 23, 2016, by Gloria Cudjoe



Signature

2. Approval of Consent Agenda

The following items were presented under the consent agenda.

A. Minutes of May 26, 2016, Meeting(s)

B. Monthly Valuation of Fund Assets by Custodian

Option	Value By Fund
Defined Benefit	\$ 484,533,650.34
International Investment Equity	8,221,855.95
Aggressive Equity	19,956,406.86
Global Equity	2,112,683.71
Growth and Value Equity	19,557,183.55
S & P 500 Index	21,469,273.99
Target Retirement 2060	477,459.13
Target Retirement 2055	2,067,719.83
Target Retirement 2050	4,655,603.05
Target Retirement 2045	7,949,720.56
Target Retirement 2040	11,727,744.59
Target Retirement 2035	15,827,264.63
Target Retirement 2030	20,441,638.13
Target Retirement 2025	32,569,469.81
Target Retirement 2020	33,181,511.64
Target Retirement Income	26,563,737.83
Total Yield Bond Fund	7,552,422.90
Bond Index	12,610,606.30
Voya Fixed Plus III	37,506,001.45
Loan Portfolio	9,442,832.04

Self Directed Brokerage	42,288.53
Total Assets	\$ 778,467,074.82

C. Purchases and Sales of Assets

D. Administrative Expenses and Fees

Expenses and Fees for June

Actuary & Recordkeeping	\$35,905
Administration	77,440
Attorney	4,136
Audit	9,000
Board Travel	3,941
DC Plan Est. 10-2015 Expenses	0
Employer Directed Expense	0
Insurance	0
Investment Advisors	15,000
Custodial	14,092
Investment Consultant	29,000
Public Relations	572
Representative Travel	2,278
EXPENSES	<u>\$191,364</u>

E. Benefit Payments and Contribution Refunds

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

Motion carried: AYE: Doolen, Johnston, Lage, Lamb, Lockett, Shugart 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. **SSgA: Annual Update from Investment Managers**

Settles provided an update on SSgA. SSgA primarily provides passive funds, but is acquiring the active management arm of GE. The organization places emphasis on governance and risk structures. Their DC business has grown substantially. He provided updated information on securities lending. Target retirement/glide path funds, now the DC default options, were reviewed. Target retirement funds provide excellent diversification at low cost. Settles stated they do not anticipate adding additional asset classes, at this time, but are constantly evaluating. However, annuity options are being considered by SSgA to possibly offer DC participants upon retirement. This is in development.

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

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

Rives began by giving an update on Brexit vote, the UK's vote to leave the European Union (EU). This startled the markets in early trading, but some recovery was being made. She indicated that it could take some time to settle. Expect the Fed to delay raising rates at the July meeting and markets to continue to be volatile.

New DB active money manager River Road had a good month and the non US active fund managers provided 2 to 3% protection on the down side. Long/short did well for the month as did real estate. JPM real estate core fund now has both an entry cue and an exit cue. DC investment options performed as expected except for Integrity's underperformance due to limited exposure to REIT's.

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

Cox reviewed the DB cash needs of \$800,000 to pay monthly DB periodic payments and refunds. ACG recommended raising cash from SSgA S&P 500 to meet the cash needs for the month. Because this seems to be a trend, ACG will be working with Staff on a longer term cash flow plan for Board consideration next month.

Motion made by Shugart, seconded by Luckett to approve the ACG recommendation of raising cash in the SSgA S&P 500 fund in the amount of \$800,00 and transferring to DB miscellaneous account to meet the monthly cash needs.

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

NAY: None

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

None.

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

None.

Whatley reported on two new members joining the system (Wilburton and Snyder) and plan amendments/changes for the OkMRF members. The newly adopted or amended OkMRF member plans were received and signed by the Chair and Secretary.

No action taken.

10. OkMRF Staff Report

Cox reported on the following items:

- Investment committee meeting will meet before regular scheduled Board meeting in August.
- Tentatively targeting the week of October 3 – 7 for due diligence trip to JPM in Columbus, Ohio, anticipating a two day trip.
- New letterhead and promotional materials were shown.
- OkMRF's web site is being updated by Staff and Voya/VisionMix.
- Fiscal year came in under budget by over \$500,000 with no amendments needed.
- JPM called and informally indicated that the move to the new Titan platform would cost almost the same as what was paid to JPM custody this past fiscal year. JPM considered this to be cost neutral. However, Cox reported, three months of the prior year included custody of the DC assets. Upcoming fiscal year, JPM will only custody the DB assets.
- Nomination deadlines for Districts 5 and 6 is June 30. As of the Board meeting, Lamb is nominated in District 5 and Rooney and Hort are nominated for District 6.
- CMAO is being held in Ada, July 13 – 15, early bird deadline June 30.
- Currently interviewing candidates for the Administrative travelling position.
- GASB 68 audit packets will be mailed to member cities today.
- Congratulations on recent promotion to staff member – Lindsay Porter.

11. New Business

None.

12. Trustee/Member Comments

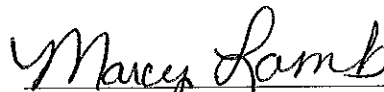
- Luckett attended the "Oklahoma Observer Newsmakers Series" discussion featuring State Auditor Gary Jones and former Rep. Joe Dorman at the Full Circle Bookstore.
- Luckett inquired if OkMRF was in the JPM real estate cues. Staff's response was no.
- Davis inquired on the copyrighting of the promotional "billfold" material that was provided to Trustees. Cox stated she would research.
- Davis remarked on the how nice the new sound system sounded. Cox thanked Whatley for the time he and his brother spent coming up with a great solution.
- Johnston gave family member update.

13. Adjourn

With no further business to conduct meeting adjourned.

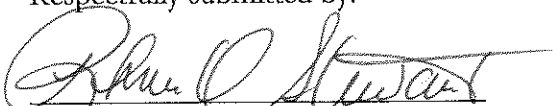


Bertha Ann Young, Secretary



Marcy Lamb, Chair

Respectfully submitted by:



Rhinea Stewart