

MINUTES
BOARD OF TRUSTEES
OKLAHOMA MUNICIPAL RETIREMENT FUND
November 18, 2016

1. Call To Order

The Board of the Oklahoma Municipal Retirement Fund met at the Oklahoma Municipal Retirement Fund, Oklahoma City, Oklahoma, on November 18, 2016, at 10:03 a.m. with Chair Doolen presiding. On roll call, the following members were present:

BOARD OF TRUSTEES

Chair: Donna Doolen, Finance Director, City of Ada
Vice-Chair: Robert Johnston, City Manager, City of Frederick
Secretary: Bertha Ann Young, Retiree, City of Shawnee
Treasurer: Leroy Lage, Retiree, City of Watonga
Members: March Lamb, Retiree, City of Stillwater
Jim Lockett, Jr., Retiree, City of Thomas
Robert Park, Retiree, City of Sallisaw
Timothy Rooney, City Manager, City of Mustang

OTHERS PRESENT:

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

OkMRF Attorney: David Davis

Others: Haley Rives, ACG
Kristin Burke, Harding Loevner
Doug Doucette, Investec
Sandi Greenwood, Investec, *via telephone*
Deltra Hayes, Voya
Jane Spatola, Voya
Melissa Reames, City of Stillwater
Cindy Shattuck

Whatley opened the meeting with prayer and Lage led the Pledge of Allegiance.

Doolen welcomed everyone and called the meeting to order.

NOTICE: The agenda for the November 18, 2016, meeting was posted in the Central Park Tower, Oklahoma City, Oklahoma by 10:00 a.m. on November 17, 2016, by Katie Girardi.



Signature

2. **Approval of Consent Agenda**

The following items were presented under the consent agenda.

A. **Minutes of October 28 Meeting(s)**

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

Option	Value By Fund
Defined Benefit	\$492,966,371.40
International Investment Equity	8,463,682.03
Aggressive Equity	20,008,879.43
Global Equity	2,696,280.28
Growth and Value Equity	19,896,893.99
S & P 500 Index	21,917,238.15
Target Retirement 2060	635,113.47
Target Retirement 2055	2,374,136.85
Target Retirement 2050	5,045,045.78
Target Retirement 2045	8,585,846.03
Target Retirement 2040	12,041,681.01
Target Retirement 2035	16,604,229.97
Target Retirement 2030	20,748,471.67
Target Retirement 2025	32,753,177.36
Target Retirement 2020	33,921,937.13
Target Retirement Income	26,371,100.69
Total Yield Bond Fund	7,856,557.01
Bond Index	13,268,617.14
Voya Fixed Plus III	38,814,122.90
Loan Portfolio	9,175,795.02
Self Directed Brokerage	123,402.19
Total Assets	\$794,268,579.50

C. **Purchases and Sales of Assets**

D. **Administrative Expenses and Fees**
Expenses and Fees for November

Actuary & Recordkeeping	\$37,955
Administration	77,702
Attorney	3,950
Audit	0
Board Travel	937
Employer Directed Expense	0
Insurance	0
Investment Advisors	5,139
Custodial	11,757
Investment Consultant	0
Public Relations	907
Representative Travel	1,680
EXPENSES	<u>\$140,027</u>

E. **Benefit Payments and Contribution Refunds**

Motion made by Luckett, seconded by Park to approve all items on the Consent Agenda.

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

NAY: None

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

No action taken.

4. **Comments from Public**

Doolen welcomed Shattuck, Hayes, Spatola and Reames. Hayes and Spatola wished all a Happy Thanksgiving and Reames was happy to be attending the meeting.

5. **Harding Loevner: Annual Update from Investment Manager – Kristin Burke**

Burke provided an update of the firm reporting no organizational or structural changes, but recently hired a China specialist. In June 2016, the Emerging Market fund implemented a soft close, no new clients allowed. At this time, no restrictions on inflows from existing clients. Portfolios are somewhat shifting to a more growth oriented style with the most changes at the company levels with sectors and regions staying stable.

6. **Investec: Annual Update from Investment Manager – Doug Doucette and Sandi Greenwood via telephone**

Doucette and Greenwood provided updates to the firm. Doucette reported that trading primarily occurs in London with a focus on measured growth. Retention strategies and ownership structure were reviewed. Investec recently added specialists for the China and Asia markets as they anticipate China will be playing a dramatic role in future markets. Greenwood reviewed specific securities, both winners and losers, and the top ten stocks in the portfolio. Stock picking is their biggest risk factor.

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

A. **ACG: Review and Discussion of Monthly ASAP Reports**

Rives briefly discussed the October ASAP Reports noting low quality stocks were rallying, active managers underperforming to benchmarks, reactions of presidential election and bond markets expecting some inflation with yields increasing. Rives anticipates Pioneer's returns to soften and negative returns in Treasuries. Rives reported large cap doing well, small cap should show strong results for calendar year, emerging markets and overall global markets doing well and target date funds looking good due to diversification and passive management vs active management. Fed is expected to raise rates in December and projected to have two to four rate hikes during 2017.

B. **ACG: Consideration and Possible Action Regarding Using Northern Institutional US Government Portfolio for Excess DB Cash Balances after Custodial Conversion**

ACG was provided two options available at Northern Trust for excess Defined Benefit cash after conversion. ACG made a recommendation to use Northern Institutional US Government Portfolio money market fund.

Motion made by Lockett, seconded by Lamb to accept the recommendation made by ACG to use the Northern Institutional Government Portfolio fund money market for excess Defined Benefit cash after conversion to new custodian.

Motion carried: AYE: Doolen, Johnston, Lage, Lamb, Lockett, Park, Rooney and Young

NAY: None

C. **ACG: Consideration and Possible Action Regarding Guggenheim Onshore Access Fund, LLC Consent of Member Letter to Transfer to Conway Feeder Fund Management, LLC, a Wholly-owned Subsidiary of Conway Investment Research**

Rives explained that Guggenheim was selling their access platform to Conway. ACG is continuing due diligence on Conway and are comfortable with the change. The underlying assets, fee structure and agreements assigned will be the same and was confirmed in writing.

Motion made by Park, seconded by Rooney to accept the recommendation made by ACG to consent to the Member Letter to Transfer from the Guggenheim Onshore Access Fund, LLC, to the Conway Feeder Fund Management, LLC, a wholly-owned subsidiary of Conway Investment Research.

Motion carried: AYE: Doolen, Johnston, Lage, Lamb, Lockett, Park, Rooney and Young

NAY: None

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

None.

8. Consideration and Possible Action Regarding Administrative Committee Report

None.

9. Consideration and Possible Action Regarding Contract Committee Report

A. Consideration and Possible Action to Secure Newly Elected Board Officer's Signatures for Signature Card on All Related Chase Accounts

Lage explained this is a housekeeping item from the election of officers. Motion made by Lockett, seconded by Lamb to rescind existing signature cards and secure new authorized signature cards for Board Officer's on all related Chase Bank accounts.

Motion carried: AYE: Doolen, Johnston, Lage, Lamb, Lockett, Park, Rooney and Young

NAY: None

10. Consideration and Possible Confirmation of Chair's Appointment of Melissa Reames to Fill District 5

Doolen reminded Board that Reames resume was provided to Trustees at October's meeting. Lamb expressed that she would be a good addition to the Board as well as a Stillwater representative.

Motion made by Doolen, seconded by Lockett to accept the appointment of Melissa Reames, Chief Financial Officer, City of Stillwater to fill the vacancy of District 5.

Motion carried: AYE: Doolen, Johnston, Lage, Lamb, Lockett, Park, Rooney and Young

NAY: None

11. Discussion and Possible Action on Resolution 2016-3 Commending Marcy Lamb for Service

Doolen recognized Lamb and read Resolution 2016-3 commending her for service on the OkMRF Board. Lamb received standing ovation from the Board. Trustees and staff expressed their appreciation and wished her well. Lamb reflected on her experience during her tenure on the board.

Motion made by Lockett, seconded by Park to approve Resolution 2016-3 of commendation for Marcy Lamb.

Motion carried: AYE: Doolen, Johnston, Lage, Lamb, Lockett, Park, Rooney and Young

NAY: None

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

Whatley reported on two plan amendments.

No action taken.

13. OkMRF Staff Report

Cox and Girardi reported on the following items:

- Audit is in progress. Cox sincerely thanked Stewart for her audit coordination. Cox stated Stewart is a true asset to the Fund and commended her ongoing training of Porter. This year, was more challenging with additional DC conversion test work being performed. Girardi was able to assist on all DC distribution testing under new recordkeeping platform.
- Girardi reported that the Claremore Benefits Fair last month went very well.
- Cox thanked Deltra Hayes of Voya reporting she continues to be an OkMRF advocate. She showed true partnership in attending the Lawton visit with Cox and Whatley. Jane Spatola, Voya Plan Manager, was also recognized by Cox for her dedication and responsiveness as our main contact, noting Spatola and her team are like an extension of OkMRF staff.
- Trustee educational requirements were discussed noting Trustees in their first and second term need to complete 70 hours CPE in their five year term. Longer tenured trustees need 50 hours CPE during their five year term.
- 2017 conference schedule was provided to Trustees, bringing attention to the CAPP program for the newly elected trustees.
- Due diligence trip is tentatively scheduled for the week of April 3rd, 2017 for Voya, SSgA and Pioneer.
- The Voya promotional leader, Jen Whitman and her team were complimented. They continue to work hard to promote OkMRF. They assisted Staff in producing a new all-in OkMRF Features and Benefits booklet and customized a one-page promo for all four OkMRF programs (DB, DC, CMO and RM). They also produced a "Say hello to Retirement Readiness" guide for OkMRF. Samples were distributed at the meeting.
- Voya facilitated and recommended a web site design company, VisionMix. Staff has been working on content for the new web site that is currently under development. Staff was trained on-site for the new content management system which enables Staff to update and keep web site current and relevant.
- Hayes and Voya PR team will be working with Whatley and Girardi in developing training programs for their city visits with continued PR campaign "Together we are stronger".
- No committee meetings in December.
- Reminder for December meeting: Dirty Santa gift exchange (\$15.00 limit) and ugly Christmas sweater attire encouraged.

14. New Business

Davis inquired about due diligence and independence of ACG as it relates to the access to the Conway Feeder Fund Management, LLC. Rives responded that their due diligence remains the same and continues at all times on money managers their clients use. Their fee compensation is in hard dollar fees, no referral fees, no conflicts of interest and they manage no assets.

15. Trustee/Member Comments

Doolen expressed her thanks for the lovely flowers during her family's recent loss and stated how honored she is to be a member of this board and to serve as the Chair.

16. Adjourn

With no further business to conduct meeting adjourned.



Bertha Ann Young, Secretary



Donna Doolen, Chair

Respectfully submitted by:



Rhnea Stewart