

**MINUTES**  
**BOARD OF TRUSTEES**  
**OKLAHOMA MUNICIPAL RETIREMENT FUND**  
**September 30, 2016**

**1. Call To Order**

The Board of the Oklahoma Municipal Retirement Fund met at the Renaissance Hotel, Tulsa, Oklahoma, on September 30, 2016, at 12:10 p.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  
Members: Donna Doolen, Finance Director-Treasurer, City of Ada  
Robert Johnston, City Manager, City of Frederick  
Jim Lockett, Jr., Retiree, City of Thomas  
Robert Park, Retiree, City of Sallisaw  
Ed Tinker, Retiree, City of Glenpool

**OTHERS PRESENT:**

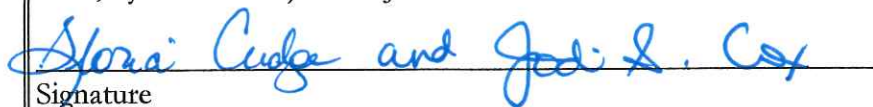
OkMRF Staff: Jodi Cox, CEO & Director  
Chris Whatley, Plan Advisor & Portfolio Strategist  
Katie Giradi, Plan Administrator  
Rhnea Stewart, Fund Accountant

Others: Haley Rives, ACG  
Tom Janisch, ACG

Shugart opened the meeting with prayer.

Lamb welcomed everyone and called the meeting to order.

**NOTICE:** The agenda for the September 30, 2016, meeting was posted in the Central Park Tower, first floor and the Renaissance Hotel, Tulsa, Oklahoma by 10:00 a.m. on September 29, 2016, by Gloria Cudjoe and Jodi Cox.

  
Signature

**2. Approval of Consent Agenda**

The following items were presented under the consent agenda.

A. Minutes of August 25, 2016 and August 26, 2016, Meeting(s)

B. Monthly Valuation of Fund Assets by Custodian

| <b>Option</b>                   | <b>Value By Fund</b>     |
|---------------------------------|--------------------------|
| Defined Benefit                 | \$ 498,663,929.08        |
| International Investment Equity | 8,503,625.38             |
| Aggressive Equity               | 20,960,886.86            |
| Global Equity                   | 2,564,974.17             |
| Growth and Value Equity         | 20,113,718.39            |
| S & P 500 Index                 | 22,209,225.65            |
| Target Retirement 2060          | 591,178.66               |
| Target Retirement 2055          | 2,300,557.97             |
| Target Retirement 2050          | 5,049,522.28             |
| Target Retirement 2045          | 8,528,963.41             |
| Target Retirement 2040          | 12,336,646.44            |
| Target Retirement 2035          | 16,553,700.59            |
| Target Retirement 2030          | 21,351,086.01            |
| Target Retirement 2025          | 33,203,773.30            |
| Target Retirement 2020          | 34,673,669.38            |
| Target Retirement Income        | 26,321,388.57            |
| Total Yield Bond Fund           | 7,784,868.48             |
| Bond Index <sup>1</sup>         | 13,565,922.38            |
| Voya Fixed Plus III             | 38,287,355.59            |
| Loan Portfolio                  | 9,360,934.95             |
| Self Directed Brokerage         | 42,948.27                |
| <b>Total Assets</b>             | <b>\$ 802,968,875.81</b> |

C. Purchases and Sales of Assets

**D. Administrative Expenses and Fees**

**Expenses and Fees for September**

|                           |                         |
|---------------------------|-------------------------|
| Actuary & Recordkeeping   | \$38,240                |
| Administration            | 76,312                  |
| Attorney                  | 3,950                   |
| Audit                     | 4,500                   |
| Board Travel              | 1,865                   |
| Employer Directed Expense | 720                     |
| Insurance                 | 10,106                  |
| Investment Advisors       | 20,238                  |
| Custodial                 | 13,788                  |
| Investment Consultant     | 29,203                  |
| Public Relations          | 1,376                   |
| Representative Travel     | <u>3,175</u>            |
| <b>EXPENSES</b>           | <b><u>\$203,473</u></b> |

**E. Benefit Payments and Contribution Refunds**

Motion made by Luckett, seconded by Doolen to approve all items on the Consent Agenda with minutes amended as requested.

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

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. Review and Discussion of Monthly ASAP Reports**

Rives reported good performance for the third quarter with fixed income adding value, stocks up, emerging market rally, real estate continues to perform but is slowing to a more reasonable level and long/short funds down as expected because equity market was up. No concerns on the portfolio or managers at this time.

**B. ACG: Discussion and Possible Action Regarding Long/Short Allocation and Possible Addition of a Manager to the DB Long/Short Portfolio**

Janisch reviewed the Guggenheim long/short portfolio. Purpose of this allocation is to dampen volatility and protect the portfolio in a down market. The overall portfolio construction was reviewed by region and by sector. Each portfolio manager was reviewed noting Kingdon and Jet Capital struggled with their performance. He is still projecting that some of the manager's plays will come to fruition by year end.

**C. ACG: Discussion and Possible Action Regarding Method to Cover Long/Short Fees for 2017**

Motion made by Shugart, seconded by Tinker to ratify action taken by Staff, as recommended by ACG, to liquidate \$180,000 from Triam Partners to cover Guggenheim management fees for 2017.

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

NAY: None

**D. Discussion and Possible Action on Participation Agreement with SSgA Capturing the Share Class Change from Lending to Non-Lending on Defined Contribution Bond Index and Global Equity**

Motion made by Shugart, seconded by Tinker for Chair to sign amendment to the Participation Agreement with SSgA to exit participation in security lending as approved in the August 26, 2016, Board meeting agenda item 7. F.

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

NAY: None

**E. Discussion and Possible Action Regarding Application Agreement with PIMCO Collective Investment Trust using PIMCO Diversified Real Asset Collective Trust for the DC Real Assets Fund Option**

Motion made by Lockett, seconded by Shugart to execute Application Agreement and side letter with SEI Trust to establish PIMCO as the provider of DC Real Asset Fund Option on the daily platform as approved in the August 26, 2016, Board meeting agenda item 7. D.

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

NAY: None

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

Cox and staff analyzed the upcoming fourth quarter DB cashflow needs and trends coupled with the custodial conversion to Northern Trust. The January 2017 pensioner checks will be prefunded due to conversion and to ensure appropriate levels of available liquidity. It was determined to raise \$7 million. ACG recommended to fund the DB quarterly cashflow and conversion needs from the SSgA S&P 500 fund. Staff commenced the liquidation to establish this cash reserve.

Motion made by Luckett, seconded by Park to ratify the action of staff liquidating \$7 million from the SSgA S&P 500 fund on September 23, 2016, for cash reserves and liquidity based on ACG's recommendation.

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

NAY: None

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

None.

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

A. **Consideration and Possible Action on Approving the Custodial Closing Documentation Package with JPMorgan and Instruct JPMorgan as to the Successor Custodian, Northern Trust**

Motion made by Luckett, seconded by Lamb to authorize and sign the JPMorgan custodial closing document package with the transfer date of assets being January 9, 2017, and provide instructions as to the successor custodian.

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

NAY: None

B. **Consideration and Possible Action on Approving Public Fund Master Custody Agreement with Northern Trust**

Motion made by Luckett, seconded by Park to approve agreement with Northern Trust Company to perform the DB custodial services, benefit payment services and all other services as stated in the RFP response dated August 17, 2016. Additionally, the agreement allows the Executive Director and/or the Board Chair to enter into future agreements or amendments to establish overall DB custodial services with Northern Trust.

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

NAY: None

8. **Consideration and Possible Action Regarding the Trustee Election Results**

Cox presented the election results for District 5 and District 6. District 5 winner Marcy Lamb (no opponent was drawn) and District 6 winner Timothy Rooney defeating John Shugart and Kristi Hort.

Motion made by Shugart, seconded by Luckett to approve the results of the election with District 5 being Marcy Lamb and District 6 being Timothy Rooney.

Motion carried: AYE: Doolen, Johnston, Lamb, Luckett, Park and  
Shugart

NAY: Tinker

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

Whatley reported on plan changes. Termination documents received from Stillwater Medical Center for an effective date of February 7, 2017.

No action taken.

10. **Consideration and Possible Action Regarding Resolution 2016-2 Commending John Shugart for Service**

Lamb recognized Shugart and read Resolution 2016-2 commending him for his service on the OkMRF Board. Trustees and staff expressed their appreciation and wished him well. This will vacate the Vice Chair position on the Board.

Motion made by Lockett, seconded by Lamb to approve Resolution 2016-2 of commendation for John Shugart.

Motion carried: AYE: Doolen, Johnston, Lamb, Lockett, Park and Tinker

NAY: None

ABSTAIN: Shugart

11. **OkMRF Staff Report**

Cox reported on the following items:

- Exited the JPMorgan securities lending program as directed last month. Lehman holding was sold in the open market and Sigma was a total loss. OkMRF used the reserve fund to cover the \$310,103.49 shortfall.
- OML Conference was a success. Trustees were thanked for their booth participation and Whatley was commended for his integral participation as the “voice of OML”. She noted they raised \$7,480 for the “Pie in the Face” contest, benefitting the Regional Food Bank of Oklahoma.
- OMCTFOA annual conference is in Stillwater, October 19<sup>th</sup> to the 21<sup>st</sup>, celebrating 60 years. OkMRF will set up a booth and a Voya representative will be assisting.
- The City of Lawton will be establishing a DC plan for new hires with a targeted effective date of January 1, 2017.
- There will be no committee meetings next month.
- Lamb will be retiring from the board at the November meeting.
- Next month’s meeting will be swearing in of recently elected Trustees, election of officers and approval of the 2017 meeting calendar.
- ACG and OkMRF will host the Oklahoma Public Funds conference next year September 27<sup>th</sup> to the 29<sup>th</sup>. Site location to be determined.

12. **New Business**

None.

13. **Trustee/Member Comments**

Lamb is the OkMRF Board Chair and represents District 5. Her resignation letter was received by the Board. She will serve through the November 18, 2016, meeting. Lamb will provide information on a potential replacement from her district to be considered for appointment by the Board.

Discussion ensued on the upcoming election of officers due to the Chair and Vice Chair vacancies. It is an important decision, due to loss of knowledge and tenure. Both Lockett and Park made potential suggestions for Chair and Vice Chair consideration.

14. **Adjourn**

With no further business to conduct meeting adjourned.



*Bertha Ann Young*  
Bertha Ann Young, Secretary

*Marcy Lamb*  
\_\_\_\_\_  
Marcy Lamb, Chair

Respectfully submitted by:

*Rhnea Stewart*  
\_\_\_\_\_  
Rhnea Stewart