

MINUTES
**SPECIAL MEETING OF THE BOARD OF TRUSTEES OF THE OKLAHOMA
MUNICIPAL RETIREMENT FUND AND THE CONTRACT COMMITTEE OF
OKLAHOMA MUNICIPAL RETIREMENT FUND**
August 26, 2016

1. Call To Order

The Contract Committee of the Oklahoma Municipal Retirement Fund met at Oklahoma Municipal Retirement Fund Offices, Oklahoma City, Oklahoma on August 26, 2016, at 8:35 a.m. with Contract Chair Lage presiding. On roll call the following members were present.

BOARD OF TRUSTEES PRESENT

Contract Committee: Leroy Lage, Retiree, City of Watonga
Robert Johnston, City Manager, City of Frederick
Jim Lockett, Jr., Retiree, City of Thomas (*arrived at 8:44 a.m.*)

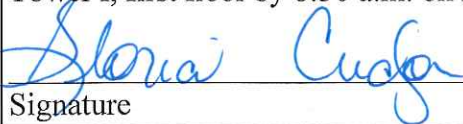
Chair: Marcy Lamb, Retiree, City of Stillwater
Secretary: Bertha Ann Young, Retiree, City of Shawnee
Members: Robert Park, Retiree, City of Sallisaw

OTHERS PRESENT

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

Others: Haley Rives, ACG
Kevin Moore, ACG

NOTICE: The agenda for the August 26, 2016, meeting was posted in the Central Park Tower I, first floor by 8:30 a.m. on August 24, 2016, by Gloria Cudjoe.


Signature

Contract Committee Chair, Lage extended a welcome to all in attendance, declared a quorum and called the meeting to order.

2. **Discussion and Develop a Recommendation for Board Regarding Defined Benefit Custodial Services including Authorizing Staff and Board Attorney to Negotiate Contracts with Proposed Provider**

Rives presented an overview of the RFI process for custodial services. OkMRF/ACG issued four RFI's, two declined to respond. Two responses were received, Northern Trust and Bank of New York Mellon. ACG prepared an overview of the RFI process for custodial services with comparisons to incumbent, JPMorgan. ACG reviewed and prepared a scorecard of the two proposals. Weightings assigned were 15% to firm overview, 40% to client service, 25% to technology and accounting and 20% to fees.

After review of scorecard, commentary from staff and pro and con discussions, Johnston made a motion, seconded by Lockett, to recommend to the Board to move from JPMorgan custodial services to Northern Trust.

Lage: yes

Johnston: yes

Lockett: yes

3. **Discuss and Develop a Recommendation for Board to Approve Side Letter with Investec to Change Fee Processing Billing Method**

Cox summarized the change of billing method.

Motion made by Lockett, seconded by Johnston, to recommend to the Board that the billing method for Investec be amended according to side letter.

Lage: yes

Johnston: yes

Lockett: yes

4. **Discuss and Develop a Recommendation for Board to Approve Addendum to Add Social Engineering Endorsement to Crime Policy**

Cox reviewed current aspects of cyber-crimes and proposed an addendum to Crime Policy currently in place as recommended by insurance broker. The addendum is to add a "Social Engineering Endorsement" to the existing policy that protects OkMRF and staff from relying on electronic instructions generated by cybercriminals that are bogus but can appear to be authentic.

Motion made by Johnston, seconded by Lockett, to recommend to the Board to add the addendum for "Social Engineering Endorsement" to the Crime Policy for a premium fee of \$75.00.

Lage: yes

Johnston: yes

Lockett: yes

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Lage: yes

Johnston: yes

Luckett: yes

5. **Discuss and Develop a Recommendation for Board to Approve Purchase of Cyber Security Insurance**

Cox solicited information and bids from insurance broker for cyber security insurance. Two quotes were received. The quotes were reviewed. The following are the summarized points that provides the best protection from the quote of Beazley's, underwritten by Lloyds of London, for OkMRF:

- \$3million aggregate protection vs. \$1million from other provider
- Lower premium for higher protection
- Lower deductible
- Provides for business interruption
- Retroactive for full prior acts
- More favorable hammer clause-60/40 split on excess settlement cost

Motion made by Luckett, seconded by Johnston, to recommend to the Board to approve the purchase of Cyber Security Insurance from Beazley's.

6. **New Business**

None.

7. **Adjourn**

With no further discussion, meeting adjourned at 9:10 a.m.


Leroy Lage, Contract Chair


Marcy Lamb, Chair

Respectfully submitted by:


Rhnea Stewart

