

**MINUTES**  
**BOARD OF TRUSTEES**  
**OKLAHOMA MUNICIPAL RETIREMENT FUND**  
**August 26, 2016**

**1. Call To Order**

The Board of the Oklahoma Municipal Retirement Fund met at the Oklahoma Municipal Retirement Offices, Oklahoma City, Oklahoma, on August 26, 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, City of Thomas  
Robert Park, Retiree, City of Sallisaw  
Ed Tinker, Retiree, City of Glenpool

**OTHERS PRESENT:**

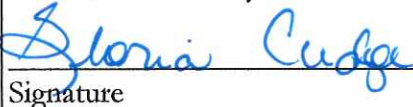
OkMRF Staff: Jodi Cox, CEO & Director  
Chris Whatley, Plan Advisor & Portfolio Strategist  
Katie Giradi, Plan Administrator  
Rhnea Stewart, Fund Accountant

Others: Haley Rives, ACG  
Kevin Moore, ACG  
Kevin Cox, Voya  
Deltra Hayes, Voya  
Jay Young, Voya  
George Wilkinson, Trustee Emeritus

Shugart opened the meeting with prayer and Wilkinson led the Pledge of Allegiance.

Lamb welcomed everyone and called the meeting to order.

**NOTICE:** The agenda for the August 26, 2016, meeting was posted in the Central Park Tower, first floor by 10:00 a.m. on August 25, 2016, by Gloria Cudjoe.



Signature

**2. Approval of Consent Agenda**

The following items were presented under the consent agenda.

**A. Minutes of July 29, 2016, Meeting(s)**

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

Option	Value By Fund
Defined Benefit	\$ 496,570,624.45
International Investment Equity	8,523,558.52
Aggressive Equity	20,778,870.08
Global Equity	2,517,332.47
Growth and Value Equity	20,194,580.47
S & P 500 Index	22,294,164.39
Target Retirement 2060	552,568.53
Target Retirement 2055	2,230,764.70
Target Retirement 2050	4,964,856.10
Target Retirement 2045	8,371,435.10
Target Retirement 2040	12,254,044.40
Target Retirement 2035	16,549,224.73
Target Retirement 2030	21,291,870.88
Target Retirement 2025	33,022,554.49
Target Retirement 2020	34,377,979.81
Target Retirement Income	26,380,795.36
Total Yield Bond Fund	7,731,493.45
Bond Index	13,562,709.02
Voya Fixed Plus III	38,392,244.56
Loan Portfolio	9,419,099.53
Self Directed Brokerage	42,683.01
<b>Total Assets</b>	<b>\$ 800,023,454.05</b>

**C. Purchases and Sales of Assets**

**D. Administrative Expenses and Fees**

**Expenses and Fees for August**

Actuary & Recordkeeping	\$38,053
Administration	80,797
Attorney	3,952
Audit	0
Board Travel	2,930
Employer Directed Expense	480
Insurance	75
Investment Advisors	0
Custodial	11,370
Investment Consultant	0
Public Relations	750
Representative Travel	3,429
EXPENSES	<u>\$141,836</u>

**E. Benefit Payments and Contribution Refunds**

**F. Approve Addendum to Add Social Engineering Endorsement to Crime Policy**

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

Motion carried: AYE: Doolen, Johnston, Lage, Lamb, Lockett, Park, Shugart, Tinker 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. Voya Financial: Annual Update on DC Recordkeeping/Custodial Services and Investment Manager – Kevin Cox, Deltra Hayes and Jay Young**

Hayes provided an overview of Voya's continued investment in technology and the customer experience, their corporate values have been recognized, and ranked second among financial service companies and 33<sup>rd</sup> among the largest 500 publicly traded companies in U.S.



Motion made by Lage, seconded by Shugart to accept the recommendation of ACG to move JPMorgan Defined Benefit custodial services to Northern Trust, to authorize staff and attorney to negotiate contracts with selected provider and issue letter of notice to JPMorgan for termination of services with an anticipated effective date of January 1, 2017.

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

NAY: None

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

**A. ACG: Review of Monthly ASAPs and Quarterly Performance Report**

Moore reviewed the ASAP reports noting that July was a good month, large cap kept up with index due to SSgA with active managers dragging down the SMID allocation for the short term. Real estate and fixed income doing well. Noting, the second Quarterly Performance Report was reviewed in detail during the Investment Committee meeting.

**B. ACG: Consideration and Possible Action Regarding Selection of a Money Market Fund for Excess Defined Benefit Cash Balances**

Motion made by Shugart, seconded by Tinker to accept ACG's recommendation to redeem the Defined Benefit Goldman Sachs Financial Square Prime Obligations money market fund used for excess cash and invest in JPMorgan's U.S. Government money market fund premier share class or an appropriate institutional government short-term money market fund offered by OkMRF's custodian. This change was necessary due to the SEC voting July 23, 2014, in favor of adopting amendments to the certain rules of the Investment Company Act of 1940 that governs the operation of money market funds with an effective date of October 14, 2016.

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

NAY: None

**C. ACG: Consideration and Possible Action Regarding SDBA Cash Sweep Vehicle Effective August 31, 2016, Agreeing to Recommend Move to TD Asset Management Money Market Fund to TD Bank Insured Deposit Account**

Motion made by Shugart, seconded by Tinker to accept ACG's recommendation to move the Defined Contribution Self Directed Brokerage Account cash sweep vehicle to the TD Ameritrade Bank Insured Deposit Account with an effective date of August 31, 2016. This change was requested by Voya notice and was necessary due to the SEC voting July 23, 2014 in favor of adopting amendments to the certain rules of the Investment Company Act of 1940 that governs the operation of money market funds with an effective date of October 14, 2016.

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

NAY: None

**D. ACG: Discussion and Possible Action to Approve the Construct and Underlying Investment Manager(s) for the Real Assets Fund Investment Option in the OkMRF DC Daily Valued Investment Lineup on the Voya Recordkeeping Platform (tabled from June 26, 2015 and August 28, 2015 meetings, now being brought back before the Board this meeting)**

Motion made by Shugart, seconded by Tinker to accept ACG's recommendation to utilize PIMCO's Diversified Real Asset Strategy with three core real assets: Treasury Inflation-Protected Securities, commodities and real estate for a new Defined Contribution Investment Option on the Voya DC daily valued recordkeeping platform.

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

NAY: None

**E. ACG: Discussion and Possible Action Regarding Continued Participation in JPMorgan Securities Lending Program**

Motion made by Shugart, seconded by Tinker to discontinue securities lending with JPMorgan and authorize staff to negotiate the payoffs for the collateral deficiencies related to Lehman and Sigma securities.

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

NAY: None

**F. ACG: Discussion and Possible Action Regarding Continued Participation on Securities Lending within the SSgA components of the Define Contribution Bond Index and Defined Contribution International Investment Equity Fund**

Motion made by Shugart, seconded by Tinker to exit participation in all securities lending funds on the Voya DC daily value recordkeeping platform with SSgA and move into the equivalent non-lending funds for the Bond Index and International Index (ACWI ex US Index) Funds.

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

NAY: None

**G. ACG: Discussion and Possible Action Regarding Continued Participation on Securities Lending with the SSgA components of the Defined Benefit Balanced Fund**

Motion made by Shugart, seconded by Park to exit participation in securities lending funds within the Defined Benefit, SSgA S&P 500 Index fund and move all into the equivalent non-lending S&P 500 Index fund.

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

NAY: None

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

No action taken.

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

None.

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

Whatley reported on five different amendment changes and the addition of a new CMO plan for the City of Duncan.

No action taken.

**10. OkMRF Staff Report**

Cox reported on the following items:

- Election update: Shugart 6, Rooney 5, Hort 2
- Schedule for OML booth assistance was handed out, wear gray shirts on Wednesday and white shirts on Thursday
- OkMRF's Pie in the Face nominee is Chris Whatley with donations benefiting the Regional Food Bank of Oklahoma
- The first George Wilkinson award was presented to Tamara Johnson, Authorized Agent for the City of Shawnee at the Shawnee Commission meeting. The award is to be presented annually and will be published in the OML newsletter. Shawnee News Star article covering the award presentation was distributed.
- Reminder that September's meeting will be in Tulsa after the public funds conference
- A "Save the Date" card will be handed out at this year's public funds conference for 2017's public funds conference to be hosted by ACG and OkMRF, September 27-29<sup>th</sup>
- Voya has been asked to provide a dynamic speaker for the 2017 public funds conference

**11. New Business**

None.

**12. Trustee/Member Comments**

Wilkinson expressed thanks to those who came to his home to honor him. He appreciated working with this group and board members and said to "always remember the little guy". He thanked Lockett for checking in on him during his illness.

Lamb remarked that the spirits of the group were lifted due to his presence and there would always be a chair for him at the meetings.

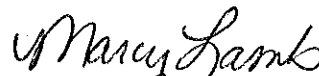
Lockett remarked that PIMCO was going to have an excellent speaker at the upcoming public funds conference next month.

**13. Adjourn**

With no further business to conduct meeting adjourned.



Bertha Ann Young, Secretary



Marcy Lamb, Chair

Respectfully submitted by:

A handwritten signature in blue ink, appearing to read "Rhnea Stewart", is written over a horizontal line.

Rhnea Stewart