

MINUTES
BOARD OF TRUSTEES
OKLAHOMA MUNICIPAL RETIREMENT FUND
September 29, 2017

1. Call To Order

The Board of the Oklahoma Municipal Retirement Fund met at the Chickasaw Resort and Conference Center, Sulphur, Oklahoma, on September 29, 2017, at 11:51 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: Robert Park, Retiree, City of Sallisaw
Members: Tamera Johnson, City of Shawnee
Jim Lockett, Jr., Retiree, City of Thomas
Melissa Reames, Chief Financial Officer, City of Stillwater
Timothy Rooney, City Manager, City of Mustang
Ed Tinker, Retiree, City of Glenpool

OTHERS PRESENT:

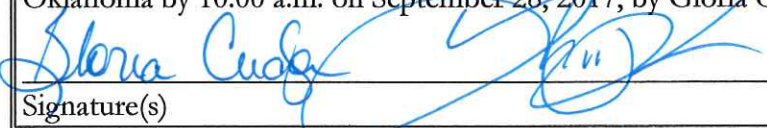
OkMRF Staff: Jodi Cox, CEO & Director
Chris Whatley, Plan Advisor & Portfolio Strategist
Katie Girardi, Plan Administrator
Rhnea Stewart, Fund Accountant

Others: Haley Rives, ACG
Kevin Moore, ACG
Sean Sullivan, Dean Actuaries
Joe Don Dunham, City of Alva City Manager

Whatley opened the meeting with prayer.

Doolen welcomed everyone and called the meeting to order.

NOTICE: The agenda for the September 29, 2017, meeting was posted in the Central Park Tower, Oklahoma City, Oklahoma and the Chickasaw Retreat and Conference Center, Sulphur, Oklahoma by 10:00 a.m. on September 28, 2017, by Gloria Cudjoe & Lindsay Porter.



Signature(s)

2. Approval of Consent Agenda

The following items were presented under the consent agenda.

A. Minutes of August 25, 2017 Meeting(s)

B. Monthly Valuation of Fund Assets by Custodian

Option	Value By Fund
Defined Benefit	\$549,300,887.76
International Investment Equity	8,857,485.78
Aggressive Equity	19,473,913.09
Real Assets Fund	308,272.89
Global Equity	4,236,879.78
Growth and Value Equity	20,074,621.97
S & P 500 Index	23,440,036.43
Target Retirement 2060	964,353.32
Target Retirement 2055	2,645,914.47
Target Retirement 2050	5,156,747.26
Target Retirement 2045	7,723,968.39
Target Retirement 2040	11,010,944.45
Target Retirement 2035	15,647,345.21
Target Retirement 2030	20,421,167.42
Target Retirement 2025	31,540,350.42
Target Retirement 2020	33,049,686.77
Target Retirement Income	23,332,925.65
Total Yield Bond Fund	6,121,107.71
Bond Index	10,199,532.13
Voya Fixed Plus III	35,024,832.94
Loan Portfolio	7,931,586.94
Self Directed Brokerage	126,566.31
Total Assets	\$836,589,127.09

C. Purchases and Sales of Assets

D. Administrative Expenses and Fees

Expenses and Fees for September

Actuary & Recordkeeping	\$37,605
Administration	94,636
Attorney	3,950
Audit	4,500
Board Travel	2,136
Employer Directed Expense	240
Insurance	0
Investment Advisors	15,422
Custodial	9,563
Investment Consultant	29,816
Public Relations	843
Representative Travel	2,595
Total Expenses	<u>\$201,306</u>

E. Benefit Payments and Contribution Refunds

Motion made by Lockett, seconded by Rooney to approve all items on the Consent Agenda.

Motion carried: AYE: Doolen, Johnson, Johnston, Lockett, Park, Reames, Rooney 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. ACG: Review and Discussion of Monthly ASAP Reports

Rives briefly reviewed the DB ASAP report. The return for the month was up a modest 30 basis points for the month with year-to-date being over 10%. The dispersion continues on growth versus value. Growth is out of favor and will be discussed in more detail at next month's meeting. Non US equity markets continue to be strong and real estate is providing solid income from rentals versus capital appreciation. The DC investment options performing as expected. The new Real Asset option providing stable returns for those fearing inflation.

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

Moore reviewed the rebalancing recommendations to leave the \$4.5 million redemption of real estate proceeds to meet immediate cash flow needs. Additionally, the proceeds from the liquidation of long/short manager will be used to fund replacement manager, Bridger after the first of the year.

6. Consideration and Possible Action Regarding Administrative Committee Report

No action taken.

7. Consideration and Possible Action Regarding Contract Committee Report

A. Consideration and Possible Action Regarding Hiring A-1 Freeman Moving Group

Cox provided a summary of the potential moving company being considered for office relocation purposes. Replacement insurance coverage quotes have not been received; therefore, approval requested to approve A-1 Freeman Moving Group subject to the best option for insurance replacement coverage during move.

Motion made by Rooney, seconded by Tinker to approve the A-1 Freeman Moving Group for moving services and authorized CEO to obtain the most reasonable replacement insurance coverage from either the moving company or Insurica.

Motion carried: AYE: Doolen, Johnson, Johnston, Luckett, Park, Reames, Rooney and Tinker

NAY: None

8. Consideration and Possible Action Regarding the Trustee Election Results

Cox presented the election results for District 3 and District 8. District 3 winner Donna Doolen (no opponent drawn) and District 8 winner Joe Don Dunham (no opponent drawn).

Motion made by Tinker, seconded by Rooney to approve the results of the election with District 3 being Donna Doolen and District 8 being Joe Don Dunham.

Motion carried: AYE: Doolen, Johnson, Johnston, Luckett, Park, Reames, Rooney and Tinker

NAY: None

9. Dean Actuaries, LLC: Discussion and Possible Action Regarding Actuarial Experience Study and Changes to Actuarial Methods and Assumptions as a Result

Sullivan presented the study on the Analysis of Demographic Experience during the years of 2012-2016. He reviewed the various actuarial terms and concepts utilized in the study. The demographic factors reviewed were termination, retirement and pay increase rates. Economic experience and the demographics of mortality, disablement and disabled life mortality were not reviewed.

Study presented the following recommendations:

Termination experience

- minor increase to incremental service rates independent of age
- revision to ultimate rates to adopt asymmetric U-shape

Retirement experience

- changes to unreduced retirement experience
- changes to early retirement ages

Pay increase experience

- adjust the shape of the pay increase curve.

Implementation plan presented was reviewed and discussed.

Motion made by Tinker, seconded by Johnston to defer action and continue discussion of the potential assumption changes to the December board meeting. Staff, ACG and Dean Actuaries were directed to collaborate and bring back recommendations to the Board in the December meeting. This deferral will prevent the adoption of cost reduction assumption changes in isolation without consideration of the economic impact if the assumed rate of return needs to be changed.

Motion carried: AYE: Doolen, Johnson, Johnston, Lockett, Park, Reames, Rooney and Tinker

NAY: None

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

Whatley reported on one plan amendment for the OkMRF members and the addition of a new member joining. The Town of Bennington was noted as a new DC Member and Girardi was recognized for her efforts.

11. OkMRF Staff Report

Cox reported on the following items:

- The OML fund raiser for the Community Food Bank of Eastern Oklahoma raised approximately \$3,000 at the conference. The winning cities for the employee cookout from the East was City of Shawnee and City of Woodward for the West, scheduled November 3rd and October 23rd respectively.
- Verbal approval has been received from the IRS on the DB master plan, trust indenture and joinder documents. Determination letter expected to be received March 2018 with a two year implementation period.
- Voya 457 plan update provided. Voya will be marketing their nonqualified 457 plan within the State of Oklahoma. Paul Smith with Covenant Wealth Partners/Voya will be the local representative servicing Oklahoma.
- Status and update on office relocation. 3Nines provided estimate for installation of cabling for computer relocation and networking. Surplus equipment will be identified and will be offered to member cities and/or donated as deemed appropriate.
- Update provided on the coalition's discussion and conference call with IBTS. IBTS is a 501(c)(3) nonprofit organization. Since IBTS is a 501(c)(3) and based on the OkMRF Trust Indenture definition of an Employer, a nonprofit cannot be a member under the OkMRF pension plan. IBTS is working on seeing if they can restructure their organization to fit one of the definitions of Employer. Cox noted, IBTS is currently working with three (3) more cities.

12. **New Business**

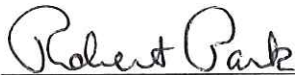
None.

13. **Trustee/Member Comments**

Doolen commented on the Oklahoma Public Fund Trustee Education Conference, showing appreciation to ACG for their sponsorship, selection of speakers and support staff. Acknowledgment to Cox and her staff for their dedicated work and organization of the conference. Overall a successful conference.

14. **Adjourn**

With no further business to conduct meeting adjourned.

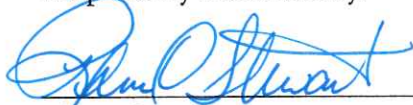


Robert Park, Secretary



Donna Doolen, Chair

Respectfully submitted by:



Rhnea Stewart