

MINUTES
SPECIAL MEETING OF THE BOARD OF TRUSTEES OF THE OKLAHOMA
MUNICIPAL RETIREMENT FUND AND THE ADMINISTRATIVE COMMITTEE OF
OKLAHOMA MUNICIPAL RETIREMENT FUND
May 25, 2017

1. Call To Order

The Administrative Committee of the Oklahoma Municipal Retirement Fund met at Oklahoma Municipal Retirement Fund Offices, Oklahoma City, Oklahoma on May 25, 2017, at 8:30 a.m. with Administrative Chair Johnston presiding.

BOARD OF TRUSTEES PRESENT

Administrative Committee:

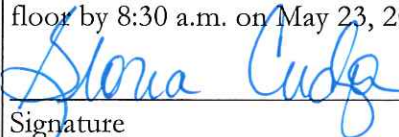
Robert Johnston, City Manager, City of Frederick
Donna Doolen, Finance Director-Treasurer, City of Ada
Tamera Johnson, Human Resources Director, City of Shawnee

OTHERS PRESENT:

OkMRF Staff: Jodi Cox, Executive Director/CEO
Rhnea Stewart, Fund Accountant

Johnston extended a welcome to all in attendance and started the meeting.

NOTICE: The agenda for the May 25, 2017, meeting was posted in the Central Park Tower I, first floor by 8:30 a.m. on May 23, 2017, by Gloria Cudjoe.


Signature

2. Review of 2017-2018 Budget

Cox described the various columns on the budget schedules. Each category was reviewed in detail and discussed as follows:

Actuary & Recordkeeping: Up \$37,000 main contributing factors for change:

- 2.10% increase in CPI-U per contract
- DB state-wide experience study necessary every 5 years \$12,500
- Complexity up-charge and new DB Member growth
- Anticipated 5% growth on plan assets for DC recordkeeping
- Less anticipated PAS programming needs especially on DC

Administration: Up \$45,500 main contributing factors for change:

- Proposed 3% Staff raise, subject to management discretion
- Health insurance premiums up 7.40% (OkMRF pays 70% of the premium)
- DB actuarial plan costs up .50% of payroll
- Computer technical support proposing fully managed monthly retainer vs. ad hoc trouble shooting
- Potential moving expenses physical and digital set-up, if necessary
- Less office supplies, postage and phone expenses this year budgeted closer to actual spent last FY

Attorney: Up \$2,000 main contributing factor for change:

- \$2,000 closer to actual amount paid for IRS document updates last year and will be restating DB Master and Joinder now that volume submitter was approved

Audit: Up \$2,300 per contract agreed to in April 2017 meeting (expires after FY 21-22)

Board Travel: Down \$2,000 main contributing factors for change:

- Overall less for Trustee due diligence to St. Louis (ACG) this budget year vs. Boston (Voya, Pioneer and SSgA) last budget year
- More for National conferences and CAPPs due to heightened Trustee Education awareness; yet, travel will lesson if market is negatively impacted

Custodial: Down \$21,650 main contributing factors for change:

- No DC custodial fee budgeted this year (Voya recordkeeping fee is all inclusive)
- Northern Trust custodial costs overall are less than JPMorgan
- Increased for 5% DB anticipated asset growth and DB distribution payments

Employer Directed Expenses: Up \$5,000 main contributing factor for change:

- Costs billed directly to a Member which are outside normal OkMRF shared expenses are up

Insurance: Up \$2,750 main contributing factor for change:

- Expected increase in premiums; yet, more in-line with actual premiums charged in FY 16-17

Investment Advisors: Down \$192,212 main contributing factors for change:

- Even with a 5.0% estimated asset growth, we will propose at today's Board meeting to only directly pay the 3 separately managed DB accounts this FY; and will suggest indirect investment management fees on all others (mutual funds, commingled trusts, private placement, long/short, etc.)

- Indirect fees are paid inside the investment options and do not directly impact budget

Investment Consultant/ ACG: Up \$3,722 main contributing factor for change:

- 2.10% increase in CPI-U per contract

Public Relations: Down \$1,900 main contributing factors for change:

- Mainly due to OkMRF website re-design (VisionMix) in prior year budget
- Purchased a website content management system last year which provides OkMRF better control and flexibility with minimal on-going costs
- Continued momentum on enhanced PR materials, sponsorships and advertising

Representative Travel: Down \$9,300 main contributing factors for change:

- Overall less for Staff due diligence to St. Louis (ACG) this budget year vs. Boston (Voya, Pioneer and SSgA) last year
- Includes professional dues for CPA, CFP and attendance on various affiliate association meetings/conferences

Credit offset: More by \$9,400 main contributing factors for change:

- More expected on employer directed reimbursements (flow through)
- More interest earnings on DB deposit account (interest rates up and invested in a higher interest bearing vehicle with Northern Trust)

Budget as proposed, results in total administrative fees as a percent of total assets of 27.32bps. Administrative fees by plan are 25.47bps for DB and 30.95 DC bps. Proposed budget for FY 17-18 is for a total of \$2,905,214 and for the DC administrative fee to be increased to 32bps.

Administrative Committee felt budget is fine as presented and will propose a recommendation to the Board to accept the proposed budget at \$2,905,214 with a 32bps charge for administrative fees to the DC accounts.

3. Discussion and Development of a Recommendation to the Board of Trustees for the Purpose Fixed Assets, if required by office move, from Unreserved Administrative Account Funds

Cox presented a handout on the Administrative reserve account. She explained the various components of the reserve account and the remaining unreserved balance of \$49,754. Cox proposed to committee to permit the usage of up to \$25,000 of the unreserved balance for the purpose of potential move related expenses and or furniture needs so as to not directly impact the Members and Participants. By July 1, 2017, the goal office relocation options and possibilities should be known. The methods of disposal of any surplus office furniture was briefly discussed and an agenda item will be forthcoming if/or when needed.

Administrative Committee was agreeable for CEO to use up to \$25,000 of the unreserved Administrative account for the potential office relocation expenses and furniture and will propose recommendation to the Board for acceptance.

4. Review of Executive Director 2017-18 Goals and Objectives

Cox presented a listing of her goals to the Committee to be achieved for the period of July 2017 to June 2018; highlighting priorities for Trustees, Staff and Membership. Concentrating mainly on hosting a successful OPFTEC; securing source code for PAS; securing office space, and continuation of enhancement of communications to Membership. Committee accepted the listing of goals as presented.

5. **New Business**

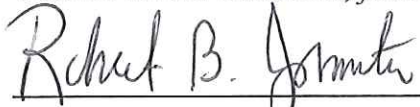
No Committee meeting necessary next month.

Doolen expressed appreciation for staff's work and that they be rewarded fairly.

Johnson requested a more detailed review of the budget from Cox due to this being her first meeting. She wants to gain more extensive knowledge of the process.

Adjourn

With no further discussion, Johnson declared the meeting adjourned at 9:55 a.m.



Robert Johnston, Administrative Chair



Donna Doolen, Chairman

Respectfully submitted by:



Rhnea Stewart