

**MINUTES**  
**BOARD OF TRUSTEES**  
**OKLAHOMA MUNICIPAL RETIREMENT FUND**  
**March 29, 2018**

**1. Call To Order**

The Board of the Oklahoma Municipal Retirement Fund met at the Oklahoma Municipal Retirement Fund Offices, Oklahoma City, Oklahoma, on March 29, 2018, at 10:02 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 (*arrived 10:35 a.m.*)  
Treasurer: Jim Luckett, Jr., Retiree, City of Thomas  
Members: Joe Don Dunham, City Manager, City of Alva  
Tamera Johnson, HR Director, City of Shawnee  
Melissa Reames, Chief Financial Officer, City of Stillwater  
Tim 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

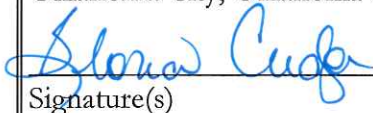
OkMRF Attorney: David Davis

Others: Haley Rives, ACG  
Doug Doucette, INVESTEC  
Ian Vose, INVESTEC (*via telephone*)  
Sean Sullivan, Dean Actuaries

Whatley opened the meeting with prayer and Johnston led the Pledge of Allegiance.

Doolen welcomed everyone and called the meeting to order.

**NOTICE:** The agenda for the March 29, 2018, meeting was posted in Columbus Square, Oklahoma City, Oklahoma by 10:00 a.m. on March 28, 2018, by Gloria Cudjoe

  
Signature(s)

**2. Approval of Consent Agenda**

The following items were presented under the consent agenda.

A. Minutes of March 1, 2018 Meeting(s)

B. Monthly Valuation of Fund Assets by Custodian

Option	Value By Fund
Defined Benefit	\$ 576,315,763.62
International Investment Equity	9,209,801.43
Aggressive Equity	19,771,502.85
Real Assets Fund	325,262.56
Global Equity	4,877,034.57
Growth and Value Equity	20,387,771.95
S & P 500 Index	24,824,741.20
Target Retirement 2060	1,202,680.53
Target Retirement 2055	3,161,522.63
Target Retirement 2050	5,755,068.97
Target Retirement 2045	8,639,495.33
Target Retirement 2040	12,251,620.56
Target Retirement 2035	16,922,432.54
Target Retirement 2030	21,223,074.67
Target Retirement 2025	35,858,057.11
Target Retirement 2020	32,885,962.61
Target Retirement Income	23,138,685.15
Total Yield Bond Fund	5,914,072.95
Bond Index	10,631,526.79
Voya Fixed Plus III	35,743,726.52
Loan Portfolio	7,777,108.57
Self Directed Brokerage	122,225.44
Total Assets	\$ 876,939,138.55

**C. Purchases and Sales of Assets**

**D. Administrative Expenses and Fees**

**Expenses and Fees for March**

Actuary & Recordkeeping	\$39,060
Administration	83,319
Attorney	3,950
Audit	0
Board Travel	3,839
Employer Directed Expense	240
Insurance	82,555
Investment Advisors	15,422
Custodial	14,207
Investment Consultant	29,816
Public Relations	1,038
Representative Travel	1,805
EXPENSES	<u>\$275,251</u>

**E. Benefit Payments and Contribution Refunds**

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

Motion carried: AYE: Doolen, Dunham, Johnson, Johnston, Lockett, 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**

Doolen welcomed the guests from Investec, Dean Actuaries and ACG.

**5. INVESTEC: Annual Update from Investment Manager – Doug Doucette and Ian Vose (via telephone)**

Doucette provided an overview of the origin and purpose of the firm for the benefit of newer Trustees. Updates were provided on personnel changes, office expansions and CEO transitioning to be completed by October.

*Park arrived at 10:35 a.m.*

Vose reviewed the investing process of utilizing team based investing, seeking high quality with attractive pricing and stock specific/best idea selections. He also discussed free trade in the global economy, potential tariff impact China may have on the U.S. economy and which sectors to be impacted the most.

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

A. **ACG: Review of Monthly ASAP Reports**

Rives remarked on continuation of market volatility through March, noting twenty-two trading days, since the beginning of 2018 had seen a  $\pm 1\%$  to  $2\%$  market impact while the entire year of 2017 had only 8 days of extreme volatility. The majority of the portfolio reflected negative returns for the month of February with real estate being the only positive for the month. The long/short portfolio is providing protection during the downside, but a couple of the managers are struggling and another manager had key changes at the director level. Disparity is becoming more apparent in the fixed income allocation between Pioneer and BlackRock as rates have been increasing with credit rates decreasing quality of corporate bonds.

The transition to the K2 platform for the long/short allocation is continuing. ACG will present a formal recommendation on the manager with director turnover next month.

B. **Consideration & Possible Action Regarding DB and DC Investment Policies & Guidelines**

Cox explained that the changes presented in the policies are primarily related to cleaning them up for consistency and to standardize word usage throughout the policies and guidelines. She assured the Board that both Staff and ACG have reviewed the changes thoroughly.

Motion made by Lockett, seconded by Rooney to approve the amendments to the Statement of Investment Policy Guidelines and Objectives for both the DB and DC as recommended by ACG.

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

NAY: None

C. **Consideration and Possible Action Regarding First Amendment to the Investment Advisory Agreement with TimesSquare Capital Management, LLC on Management Fee Pricing for the Defined Benefit Plan**

Motion made by Lockett, seconded by Tinker to approve the amendment to the manager fee pricing on TimesSquare Capital Management, LLC, lowering each fee level range by .10%, retroactive to January 1, 2018.

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

NAY: None

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

No action taken.

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

None.

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

A. **Finley & Cook: Consideration and Possible Action Regarding Annual Audit Engagement Letter**

Cox noted that the annual financial audit services for fiscal year ending 2018 will be the second year of a five year engagement ending in 2021. This professional service fee increased by \$1,000 for a total of \$27,500 in year two with a \$1,000 per year increase for the remaining three years.

Motion made by Rooney, seconded by Tinker, to approve the Annual Audit Engagement Letter with Finley & Cook.

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

NAY: None

B. **Finley & Cook: Consideration and Possible Action Regarding GASB 68 Engagement Letter**

Cox noted two engagement letters are needed to comply with GASB 68. Fiscal year ending 2018 will be the fifth year since implementation of the pronouncement. The scope of work for the DB member cities whose financial statements are prepared on the accrual basis are as follows:

- ♦ Opine on each DB member city column in the Schedule of Changes in Fiduciary Net Pension
- ♦ Conduct examination of census data and management's assertions related to such data

Cox reported that the service fee for the Schedule of Changes in Fiduciary Net Pension by DB member cities remains at a total of \$19,000. The examination of census data and management's assertions remains at total of \$11,300.

Motion made by Rooney, seconded by Tinker, to approve the two related GASB 68 Engagement Letters with Finley and Cook for fiscal year end of 2018.

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

NAY: None

9. **Dean Actuaries, LLC: Consideration and Possible Acceptance of the Summary of Actuarial Funding Results July 1, 2018 – Sean Sullivan**

Sullivan presented the results of the actuarial funding report as of July 1, 2017, with funding rates effective July 1, 2018. The economic and demographic assumption changes as approved December 21, 2017, are incorporated into the funding results of this report. The overall total contribution rate decreased .314% for all cities, overall funding ratio continues to be over 90%

and is very strong compared to many public plans. Thirty-two (32) plans are now over 100% funded with 90 plans above the 80% funding level.

Motion made by Tinker, seconded by Rooney, to accept the Summary of Actuarial Funding Results, effective July 1, 2018, as prepared by Dean Actuaries, LLC.

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

NAY: None

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

Whatley reported on the plan changes for the OkMRF members, noting Stillwater Medical Center Retiree Only plan termination was due to all obligations being satisfied.

**11. OkMRF Staff Report**

Cox reported on the following items:

- ACG will be sponsoring a trustee educational forum for their Oklahoma clients on April 12<sup>th</sup>, Devon Tower, 11:00 a.m. to 1:00 p.m.
- Overnight accommodations form provided and Trustees requested to complete for the Trustee Retreat on May 23<sup>rd</sup>, OML Conference beginning September 12<sup>th</sup> in Oklahoma City and the Public Funds Conference beginning September 26<sup>th</sup> in Tulsa.
- Upcoming notice of election for District 1 will be mailed beginning of May.
- IRS Determination Letter for the DB master plan and joinder agreement is expected by March 31, 2018.
- The DB master plan amendments and joinder agreement will be presented for approval at April's meeting.

**12. New Business**

None.

**13. Trustee/Member Comments**

Tinker inquired of CEO concerning the recent headlines event related to OPPRS. Cox summarized known information.

**14. Adjourn**

With no further business to conduct meeting adjourned.



Robert Park, Secretary



Donna Doolen, Chair

Respectfully submitted by:



Rhnea Stewart