

**MINUTES**  
**BOARD OF TRUSTEES**  
**OKLAHOMA MUNICIPAL RETIREMENT FUND**  
**May 24, 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 May 24, 2018, at 10:13 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  
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

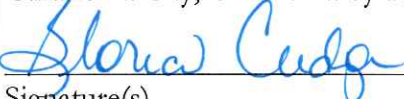
OkMRF Attorney: David Davis

Others: Kevin Moore, ACG  
Traci Keel, Finley & Cook

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

Doolen welcomed everyone and called the meeting to order.

**NOTICE:** The agenda for the May 24, 2018, meeting was posted in Columbus Square, Oklahoma City, Oklahoma by 10:00 a.m. on May 23, 2018, by Gloria Cudjoe

  
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Signature(s)

**2. Approval of Consent Agenda**

The following items were presented under the consent agenda.

**A. Minutes of April 27, 2018 Meeting(s)**

Revised meeting minutes presented to Board.

Motion made by Lockett, seconded by Rooney to receive the revised meeting minutes.

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

NAY: None

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

Option	Value By Fund
Defined Benefit	\$587,326,609.22
International Investment Equity	\$ 9,236,469.32
Aggressive Equity	\$ 19,640,881.89
Real Assets Fund	\$ 340,297.08
Global Equity	\$ 6,154,375.49
Growth and Value Equity	\$ 19,832,012.73
S & P 500 Index	\$ 25,398,191.02
Target Retirement 2060	\$ 1,266,924.41
Target Retirement 2055	\$ 3,211,465.15
Target Retirement 2050	\$ 5,794,896.79
Target Retirement 2045	\$ 8,562,842.40
Target Retirement 2040	\$ 12,205,665.32
Target Retirement 2035	\$ 17,227,250.45
Target Retirement 2030	\$ 20,747,952.27
Target Retirement 2025	\$ 34,619,662.54
Target Retirement 2020	\$ 32,012,644.57
Target Retirement Income	\$ 22,153,740.71
Total Yield Bond Fund	\$ 5,488,477.27
Bond Index	\$ 11,150,682.05
Voya Fixed Plus III	\$ 36,574,832.62
Loan Portfolio	\$ 8,060,186.52
Self Directed Brokerage	\$ 122,325.79
Total Assets	\$887,128,385.61

C. Purchases and Sales of Assets

D. Administrative Expenses and Fees

Expenses and Fees for May

Actuary & Recordkeeping	\$41,078
Administration	80,899
Attorney	3,950
Audit	17,000
Board Travel	1,908
Employer Directed Expense	3,553
Insurance	0
Investment Advisors	0
Custodial	13,638
Investment Consultant	0
Public Relations	0
Representative Travel	<u>2,235</u>
EXPENSES	<u>\$164,261</u>

E. Benefit Payments and Contribution Refunds

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

Motion carried: AYE: Doolen, Dunham, Johnson, Johnston,  
Luckett, 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. Finley & Cook: Consideration and Possible Action Regarding the Receipt of June 30, 2018, OkMRF Examination Report Over Selected Management Assertions Related to DB Census Data

Keel reviewed report and stated no exceptions were found related to the census data. Opinion was issued that the agreed upon assertions of census data are fairly stated in all material aspects and can be relied upon by employers of the OkMRF defined benefit plans for their GASB 68 reporting requirements. Keel noted a larger quantity of distribution confirmations were sent out to participants. Approximately 250 distribution confirmations were sent and 225 were returned.

Motion made by Lockett, seconded by Rooney to receive the report.

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

NAY: None

6. **Finley & Cook: Consideration and Possible Action Regarding the Receipt of June 30, 2018, OkMRF DB Schedule of Changes in Fiduciary Net Position by Employer**

Keel reviewed report discussing accrual cities, retiree only, and retiree medical plans. Opinion issued based on audit evidence obtained that the Schedule presents fairly and in all material respects, the fiduciary net position of OkMRF and each individual employer in accordance with generally accepted accounting principles. Approximately 131 contribution confirmations were sent out and 109 were returned. Cox praised Lindsay Porter, OkMRF Staff, for her assistance during the audit. Keel agreed this year's audit process was completed quickly and efficiently.

Motion made by Rooney, seconded by Tinker to receive the schedule.

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

NAY: None

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

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

Moore provided a brief high level review stating heightened portfolio volatility due to geopolitical uncertainty. Fear of trade wars and tariffs lead to difficult challenges in the international equity market. Year-to-date portfolio returns were reported as flat due to underperformance of fixed income and equity markets. Moore noted active management in the portfolio was responsible for providing positive performance, especially in the long/short portfolio, as well as, Black Rock's larger toolbox in the fixed income sector.

Moore discussed the remaining Conway to K2 platform transition to be completed at the beginning of August. ACG determined that due to a delay from other presumed K2 platform investors, OkMRF would be assessed a higher than presented fee structure for the first two months of investment. Moore confirmed that once other investors joined the platform a reduced fee structure would be applied.

B. **ACG: Discussion and Possible Action on Harding Loevner Funds Account Application for Institutional Emerging Markets Portfolio – Class II (HLEEX) to Transition the Defined Benefit Emerging Market Assets from the Collective Trust Fund**

Moore and Whatley presented transition from Harding Loevner Emerging Markets Collective Trust Fund (CIT) to Harding Loevner Institutional Class II mutual fund (HLEEX) vehicle in the Defined Benefit Plan portfolio only. Due to an annual review of OkMRF's investment manager fees, it was determined the mutual fund provides the same investment objective, portfolio management team, and underlying portfolio holdings with a fund expense of 1.11% and is approximately 0.05% lower than the CIT fund vehicle.

Motion made by Tinker, seconded by Rooney to complete transition of the Defined Benefit Emerging Market Assets from the CIT fund to the mutual fund.

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

NAY: None

**C. 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**

**A. Report and Discussion Regarding 2018-2019 OkMRF Budget**

Johnson discussed budget report in regards to an increase of approximately \$65k from previous year. Cox referenced exhibit items that determined actual dollars spent versus budgeted dollars. Graphs illustrated expenses have historically been lower than budget for several fiscal years. Cox cited a server replacement, purchase of iPads for digital agendas, proposed phone upgrade, and a new back-up solution to replace portable drives as substantial office space and equipment increases. Due to high market performance in 2017 the Defined Contribution fee will be reduced from 32 bps to 31 bps and has created a reserve account to be utilized for administrative expenses/errors which will be monitored and used to offset any future market underperformance. Doolen reported that a 3% average raise, with management discretion, was proposed by the CEO to the Committee. Doolen stated that the Committee felt strongly that CEO's leadership and accomplishments warranted a 5% raise. The Committee asked that be taken into consideration as part of the final FY 18-19 budget. Cox was commended for her dedication and hard work. Action item to approve final budget will be presented next month.

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

No action taken.

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

Whatley reported on the plan changes for the OkMRF members.

**11. OkMRF Staff Report**

Cox reported on the following items:

- Notification was received from Saxena White that OkMRF will not be taking lead plaintiff status on the WageWorks litigation case presented at the April board meeting.
- Extended well wishes to Dunham, Johnson and Girardi for safe travels to their upcoming CAPPSS conference in Chicago.
- No nominations have been received for District 1 Trustee position. Nominations will be accepted through June 30<sup>th</sup>.
- The City of Walters, Wagoner, and Calumet are potential new member cities. Staff was commended for their hard work on recruiting new members.
- Stewart appreciates the continued prayers for a fast recovery and will continue to work remotely until further notice.

**12. New Business:**

None.

13. **Trustee/Member Comments**

Doolen thanked ACG for retreat training that was provided to all trustees the previous day.

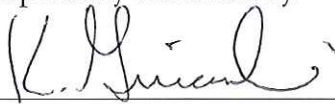
14. **Adjourn**

With no further business to conduct meeting adjourned.

  
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Robert Park, Secretary

  
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Donna Doolen, Chair

Respectfully submitted by:

  
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Katie Girardi