

**MINUTES**  
**BOARD OF TRUSTEES**  
**OKLAHOMA MUNICIPAL RETIREMENT FUND**  
**March 29, 2019**

**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, 2019, 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  
Treasurer: Jim Luckett, Jr., Retiree, City of Thomas  
Members: Joe Don Dunham, City Manager, City of Alva  
Tamera Johnson, Retiree, City of Shawnee  
Melissa Reames, Assistant City Manager & Chief Financial Officer, City of Stillwater  
Timothy Rooney, City Manager, City of Mustang (*arrived at 10:38 a.m.*)  
Ed Tinker, Retiree, City of Glenpool

**OTHERS PRESENT:**

OkMRF Staff: Jodi Cox, CEO & Director  
Katie Girardi, Plan Administrator  
Rhnea Stewart, Fund Accountant

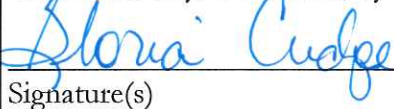
OkMRF Attorney: David Davis

Others: Haley Rives, ACG  
Kevin Moore, ACG  
John Karl, WCM  
Sean Sullivan, Dean Actuaries

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

Doolen welcomed everyone and called the meeting to order.

**NOTICE:** The agenda for the March 29, 2019 meeting was posted in Columbus Square, Oklahoma City, Oklahoma, by 10:00 a.m. on March 28, 2019, by Gloria Cudjoe.

  
Signature(s)

2. Approval of Consent Agenda

The following items were presented under the consent agenda.

A. Minutes of March 5, 2019 Meeting(s)

B. Monthly Valuation of Fund Assets by Custodian

Option	Value By Fund
Defined Benefit	\$570,200,402.49
International Investment Equity	\$ 8,214,654.63
Aggressive Equity	\$ 19,211,687.21
Real Assets Fund	\$ 407,832.90
Global Equity	\$ 6,790,851.19
Growth and Value Equity	\$ 19,484,429.40
S & P 500 Index	\$ 27,123,505.43
Target Retirement 2060	\$ 1,723,471.45
Target Retirement 2055	\$ 3,570,222.34
Target Retirement 2050	\$ 6,492,494.36
Target Retirement 2045	\$ 9,499,831.55
Target Retirement 2040	\$ 13,143,006.48
Target Retirement 2035	\$ 18,691,450.16
Target Retirement 2030	\$ 21,835,531.93
Target Retirement 2025	\$ 35,271,136.38
Target Retirement 2020	\$ 32,881,582.62
Target Retirement Income	\$ 19,610,736.34
Total Yield Bond Fund	\$ 5,223,451.76
Bond Index	\$ 12,104,874.80
Voya Fixed Plus III	\$ 36,621,142.78
Loan Portfolio	\$ 8,189,254.74
Self Directed Brokerage	\$ 136,471.76
Total Assets	<u>\$876,428,022.70</u>

C. Purchases and Sales of Assets

D. Administrative Expenses and Fees

Expenses and Fees for March

Actuary & Recordkeeping	\$	40,549
Administration		85,922
Attorney		3,950
Audit		0
Board Travel		2,019
Employer Directed Expense		0
Insurance		82,057
Investment Advisors		0
Custodial		10,268
Investment Consultant		0
Public Relations		1,255
Representative Travel		<u>3,477</u>
EXPENSES	\$	<u>229,497</u>

E. Benefit Payments and Contribution Refunds

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

Motion carried: AYE: Doolen, Dunham, Johnson, Johnston, Luckett,  
Park, Reames 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 to File for Lead Plaintiff Status Regarding Potential Allegations Against Health Insurance Innovations, Inc. with Violations of the Securities Exchange Act *(Proposed executive session as authorized by Title 25 Oklahoma Statutes Section 307B4 which allows executive sessions for the purpose of preserving attorney-client privilege, litigation strategy and settlement strategies for current and potential litigation matters.)*

Motion made by Lockett, seconded by Park to enter Executive Session at 10:04 a.m.

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

NAY: None

Chair Doolen declared Executive Session over at 10:20 a.m.

Motion made by Lockett, seconded by Dunham, to proceed with necessary actions for lead plaintiff status with Saxena White P.A regarding the potential allegations against Health Insurance Innovations, Inc.

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

NAY: Tinker

*Rooney arrived at 10:38 a.m.*

**6. WCM: Annual Update from Investment Manager – John Karl**

Karl reviewed company structure and culture. Growth over the last few years has been credited to company initiatives to promote a healthier culture by hiring a Chief Cultural Officer who works in conjunction with a Research Cultural Analyst to align company goals with possible investments.

Portfolio performance, while poor during the last quarter of 2018, has outperformed the benchmark by 570 bps since inception. Superior stock selection of iconic companies and “feet on the ground” research has been the main factor influencing the portfolio’s downside protection and percentage over the benchmark.

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

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

Rives began review with a market update through the first quarter of 2019. While the selloff in late 2018 was reasoned by miscommunication from the Federal Reserve, they announced no further interest rate increases for the remainder of 2019 resulting in a positive market reaction. A strong 10-year annualized portfolio return of 11.24% with low volatility will support future recession probability due to the inversion of the yield curve in late March.

U.S. equity returns of 13.88% year-to-date were supported by a strong dollar versus other non-U.S. currencies. Fixed income and core bond allocations remained valuable while opportunistic allocations surpassed benchmark returns. Real assets proved beneficial by providing income from fully leased properties since high prices are causing low transactions rates.

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

Moore presented the changes in both policies. Amendments were related to “cleaning up” standardize word usage throughout, refinement of specific duties within parties associated with the Plan and the addition of an Open Records compliance statement.

Motion made by Lockett, seconded by Tinker 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. Acknowledgement of Receipt of JPMorgan Third Amended and Restated Declaration of Trust for the Core Bond Commingled Trust Fund**

Motion made by Rooney, seconded by Tinker to approve the Third Amendment to the Restated Declaration of Trust for JPMorgan Core Bond Commingled Trust Fund.

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.

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

No action taken.

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

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

Motion made by Reames, seconded by Rooney 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 Letters**

Motion made by Reames, seconded by Rooney to approve the two related GASB 68 Engagement Letter with Finley & Cook for fiscal year end of 2019.

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

NAY: None

**10. Dean Actuaries, LLC: Consideration and Possible Acceptance of the Summary of Actuarial Funding**

Sullivan presented the results of the actuarial funding report as of July 1, 2018, with funding rates effective July 1, 2019. The overall total contribution rate decreased .13% for all cities, overall funding ratio is at 91.1% and is very strong compared to other public plans. Forty (40) plans are over 100% funded with 98 plans above the 80% funding level.

Sullivan discussed a new exhibit included in each member's actuarial study covering risks associated with measuring pension obligations.

Motion made by Rooney, seconded by Luckett to accept the Summary of Actuarial Funding Results, effective July 1, 2019, as prepared by Dean Actuaries, LLC.

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

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

Whatley reported on plan changes for the OkMRF members. Girardi was recognized for the new Erick plans.

**12. OkMRF Staff Report**

Cox reported on the following items:

- JPMorgan will be presenting on Real Estate portfolio at next meeting.
- Sullivan will return next meeting to present GASB 68 information.
- Trustee retreat has been scheduled for May 30<sup>th</sup>. Cox is working with ACG to finalize agenda that will include an afternoon DISC training followed by team building event at Sur La Table.
- Reminder to Trustees to personally pay David Davis a \$25 payment for waiver recourse insurance.
- Election notices for District 4 (and At-Large designations will be mailed the first week of May. Nominations will be accepted through June 30.
- Will be working with Administrative Committee on 2019-2020 executive director goals. Trustees were encouraged to provide suggestions to either Robert or Jodi.

**13. New Business**

None.

**14. Dedication of "The BAY" the Bertha Ann Young Boardroom**

Numerous guests were invited into the Board room for the unveiling of the commemorative wall mount honoring Bertha Ann Young for her many years of exemplary public service which was met with a standing ovation. Chair Doolen read the inscription of dedication. Cox expressed sincere appreciation recognizing previous Board members and former OkMRF executive director, current Trustees and Staff, Young's family and friends, Mike Fina from OML and Scott Darcy from Voya. Cox continued by thanking Jim and Peggy Luckett's son, John Crawford of MTM Recognition for designing and creating the stunning display which so gracefully captured the essence of Bertha Ann Young, OkMRF and the State of Oklahoma. Guests were invited to enjoy refreshments at the conclusion of the meeting.

**15. Trustee/Member Comments**

None.

**16. Adjourn**

With no further business to conduct meeting adjourned.


*Robert Park*

Robert Park, Secretary

*Donna Doolen*

Donna Doolen, Chair

Respectfully submitted by:

The seal is circular with a dotted border. The text "OKLAHOMA MUNICIPAL RETIREMENT FUND" is written around the inner edge. In the center, the word "SEAL" is printed in large, bold, capital letters. A signature is written across the seal.  
Katie Girard