

**MINUTES**  
**A SPECIAL MEETING OF THE BOARD OF TRUSTEES OF THE**  
**OKLAHOMA MUNICIPAL RETIREMENT FUND**  
**May 30, 2019**

**1. Call To Order**

The Board of the Oklahoma Municipal Retirement Fund met at the Oklahoma Municipal Retirement Fund, Oklahoma City, Oklahoma on May 30, 2019, at 9:03 a.m. for Trustee Retreat. No action was taken the retreat is purely educational and for discussion purposes only.

**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 Lockett, Jr., Retiree, City of Thomas (arrived at 9:11 a.m.)  
Members: Joe Don Dunham, City Manager, City of Alva  
Tamera Johnson, Retiree, City of Shawnee  
Timothy Rooney, City Manager, City of Mustang

**OTHERS PRESENT:**

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

Others: Deltra Hayes, Voya  
James Nichols IV, Voya  
Fred Blue, Voya  
Haley Rives, ACG  
Kevin Moore, ACG  
Emily Lawrence, Northern Trust  
Ashley Olsen, Northern Trust

**NOTICE:** The agenda for the May 30, 2019, Trustee Retreat meeting was posted at Oklahoma Municipal Retirement Fund, Oklahoma City, Oklahoma, first floor by 9:00 a.m. on May 28, 2019, by Gloria Cudjoe.

  
Signature

2. **Opening Comments**

Cox welcomed all Trustees, Staff and guests to the 2019 Annual Trustee Retreat. Each attendee introduced themselves and shared an interesting fact.

3. **ACG: “Where Are We Now & Where Are We Heading?” Cyclicity Across the Investment Landscape**

Rives began by discussing current market conditions. To date, we are experiencing the longest bull market in history causing valuations to increase to approximately 28 times rather than historical 16.9 times. Price to earning valuations are being mainly driven by U.S. stocks. Whereas, bond rates have historically returned 5%, they are currently between 2.00% and 2.25% causing investor worry for future equity downturns.

Rives continued the discussion with other factors influencing the current market, including; growth versus value stocks, non-U.S. versus U.S. equities, long only versus long/short portfolios, U.S. dollar versus foreign currency and active versus passive strategies.

ACG will continue to review the DB portfolio, educate Trustees on new investment strategies and recommend hiring or terminating money managers.

4. **Northern Trust: The ESG Opportunity Set & Potential Implementation Considerations – Emily Lawrence**

Lawrence began discussion with a timeline of how sustainable investing has progressed over the years to complement investment strategies to not only mitigate risk but capture new opportunities. Progression of companies reporting quantitative and forward-looking data has increased from 11% in 2011 to 86% in 2018. Lawrence discussed four different strategies to incorporate sustainable investing; exclusion, integration, thematic investing and impact investing.

Lawrence discussed Environmental, Social and Governance (ESG) factors that work in conjunction with ethics to create a sustainable investment strategy to manage risk and perform well during volatile market conditions. Different strategies can be measured against MSCI ESG rating data sets that include ESG ratings, ESG controversies, business involvement screening and carbon metrics to determine suitability for portfolios.

Future macro trends, such as climate change, scarcity of resources and population dynamics will pressure companies to review manufacturing and product development processes. Lawrence stated these themes will have a direct impact on the likely reporting and transparencies requirements in the U.S. that are currently happening in Europe.

Lawrence finished discussion by providing examples of how to construct both passive and active strategies to implement sustainable investing in a portfolio.

5. **Break**

6. **Defined Contribution Plan Industry Trends**

Moore opened discussion with two of the main trends currently seen in the DC plan industry; Auto-enrollment and auto-escalation. While at this time, OkMRF does not incorporate these trends it could lead to future discussion of specific plan types and structures. OkMRF's current custom investment services of white-label funds, target date funds and "stand-alone" options fall in line with other DC industry plan trends.

Moore continued discussion with future looking trends towards managed accounts, which are currently offered through Voya Management, retirement income accounts and ESG "stand-alone" options. ACG has reviewed Voya's 46 different options for ESG investing that are available on their current platform. Options researched and reviewed were Global Equity, U.S. Large/Mid Cap Equity and International Developed Market Equity. Due to OkMRF's securities lending restrictions, ACG recommended discussing a possible broad mandate in U.S. Large/Mid Cap Equity. This will be an entry level passive option that will keep fees relatively low, around 14 bps. Discussion between Trustees indicated that more education is needed on ESG investing and implementation.

7. **Lunch/Keynote Speaker**

**Voya: Evolved Managed Accounts – Working with Professional Advisors – James Nichols IV**

Nichols presented "*Future Ready Reset*" Plan Design, a new customer service product Voya will be offering to participants preparing for retirement. The new service will provide participants with a better cash flow management experience not only during the accumulation phase but assist in managing spending in retirement and preparing for the uncertain. Features include a retirement checklist that helps participants think about retirement holistically and take action to prepare and organize for a complex retirement process.

Discussion continued between Trustees and Staff on current struggle of engagement and participation of employees.

8. **Break**

*Girardi, Stewart and Whatley left at 12:35p.m.*

9. **Nextep: DISC Training – Katie Hendricks and Courtney Fryar**

Trustees and power team partners received DISC training which is a personnel assessment tool intended to improve work productivity, teamwork and communication by learning four major human behavior styles. It is a non-judgmental tool used to discuss behavioral differences.

10. **Break**

11. **DISC Training Continues**

The instructors led all participating trainees through their respective individual DISC assessment, various DISC exercises and DISC role playing. The results illustrated that DISC provides a common language that people can use to better understand themselves and to adapt to behaviors with others. This should help the individual and their respective team to:

- Increase self-knowledge
- Aid in conflict resolution
- Identify motivators and stress enhancers
- Improve working relationships by recognizing the communication needs of team members
- Facilitate better teamwork
- Teach productive conflict
- Improve work relationships by recognizing the communication needs of team members

12. **Closing Comments**

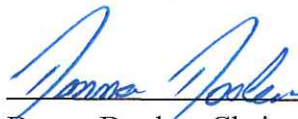
Rives and Cox provided closing comments, and all were thanked for participating in the 2019 Trustee Retreat.

13. **Adjourn**

Adjourned at 3:35 p.m.



Robert Park, Secretary



Donna Doolen, Chair

Respectfully submitted by:

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Katie Girardi