

MINUTES
BOARD OF TRUSTEES
OKLAHOMA MUNICIPAL RETIREMENT FUND
October 25, 2019

1. Call To Order

The Board of the Oklahoma Municipal Retirement Fund met at Oklahoma Municipal Retirement Fund Offices, Oklahoma City, Oklahoma, on October 25, 2019, at 10:05 a.m. with Vice-Chair Johnston presiding. On roll call, the following members were present:

BOARD OF TRUSTEES

Vice-Chair: Robert Johnston, City Manager, City of Frederick
Secretary: Robert Park, Retiree, City of Sallisaw
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
Tim Rooney, City Manager, City of Mustang
Ed Tinker, Retiree, City of Glenpool (*departed at 11:00 a.m.*)
Jim Luckett, Jr. Retiree, City of Thomas

OTHERS PRESENT:

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

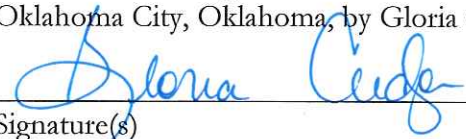
OkMRF Attorney: David Davis

Others: Kevin Moore, ACG
Haley Rives, ACG
Jared Tramutola, Harding Loevner

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

Johnston welcomed everyone and called the meeting to order.

NOTICE: The agenda for the October 25, 2019 meeting was posted in Columbus Square, Oklahoma City, Oklahoma, by Gloria Cudjoe by 10:00 a.m. on October 24, 2019.



Signature(s)

2. **Tamera Johnson and Robert Johnston Trustee Oath of Office**

Tamera Johnson, District 4 and Robert Johnston, At-Large were administered the constitutional and statutory oath of office by Jody Elliot, OkMRF.

3. **Approval of Consent Agenda**

The following items were presented under the consent agenda.

A. **Minutes of September 27, 2019 Meeting(s)**

B. **Monthly Valuation of Fund Assets & Unit Values by Custodian**

Option	Value By Fund
Defined Benefit	\$595,834,558.63
International Investment Equity	\$ 8,276,855.13
Aggressive Equity	\$ 18,083,129.09
Real Assets Fund	\$ 337,733.94
Global Equity	\$ 7,916,081.43
Growth and Value Equity	\$ 19,710,940.18
S & P 500 Index	\$ 28,812,903.17
Target Retirement 2060	\$ 2,205,512.53
Target Retirement 2055	\$ 4,002,848.06
Target Retirement 2050	\$ 7,132,827.83
Target Retirement 2045	\$ 10,368,666.62
Target Retirement 2040	\$ 13,902,529.48
Target Retirement 2035	\$ 19,778,169.91
Target Retirement 2030	\$ 24,080,805.96
Target Retirement 2025	\$ 37,318,161.73
Target Retirement 2020	\$ 31,668,957.47
Target Retirement Income	\$ 22,007,993.40
Total Yield Bond Fund	\$ 5,641,071.08
Bond Index ¹	\$ 14,174,772.84
Voya Fixed Plus III	\$ 37,197,416.13
Loan Portfolio	\$ 8,936,091.86
Self Directed Brokerage	\$ 172,602.10
Total Assets	\$917,560,628.57

C. Purchases and Sales of Assets

D. Administrative Expenses and Fees

Expenses and Fees for October

Actuary & Recordkeeping	42,451.09
Administration	137,453.10
Attorney	3,950.00
Audit	0.00
Board Travel	4,185.30
Employer Directed Expense	0.00
Insurance	0.00
Investment Advisors	154,076.36
Custodial	11,765.45
Investment Consultant	31,020.77
Public Relations	73.65
Representative Travel	<u>5,282.63</u>
EXPENSES	<u>\$390,258.35</u>

E. Benefit Payments and Contribution Refunds

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

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

NAY: None

4. Consideration and Possible Action of Items Removed from the Consent Agenda

No action taken.

5. Comments from Public

None.

6. Harding Loevner: Annual Update from Investment Manager – Jared Tramutola

Tramutola began presentation with an organizational update to their investment team for both the Emerging Markets and International Equity strategies. Rusty Johnson, co-lead Portfolio Manager of emerging markets strategy, was replaced by Scott Crawshaw, who has over 20 years of emerging markets portfolio management experience. He has been working with existing co-

lead portfolio manager, Craig Shaw, since July 2018. Alec Walsh, co-lead portfolio manager of international equity strategy, was replaced by Andrew West in January 2019. ACG did not feel any changes needed to be made to OkMRF's portfolio based on these team changes.

Tramutola continued discussion of their fundamental bottom-up prospective for both strategies. Their process of purchasing high quality growing businesses has provided relative outperformance through multiple sectors in the portfolio. Year-to-date, emerging markets has significantly outperformed the index by 6.35% and international equity has outperformed the index by 5.75%. Both strategies have struggled with volatility during the last quarter. Tramutola concluded the presentation with a review of buys and sells in each portfolio relative to their previous year.

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

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

Rives began with a high-level market review noting multiple factors continuing to positively trend throughout the year. She discussed the Fed's turnaround in January after a disappointing fourth quarter of 2018. The Fed is proposed to lower rates at least one more time, maybe twice, by the end of 2019 causing long-term investors obstacles in the future due to lower locked in rates.

Year-to-date, U.S. equities rallied throughout the year despite recent market volatility and provided a 21.76% return. Non-U.S. equities struggled on a relative basis, but also provided a double digit returns of 16.57%. Due to declining interest rates, fixed income reported strong performance of 8.06%.

Total DB portfolio returns have outperformed the policy index by approximately 65 basis points while continuing to maintain a lower standard deviation. DC funds performed in line with market trends with most of the growth stemming from growth over value funds.

B. **ACG: Consideration and Possible Action on Adding an ESG U.S. Stock Fund as an Investment Option in the DC Lineup on the Voya Platform**

Luckett presented the Investment Committee's recommendation to add Calvert Equity Fund to the DC portfolio fund lineup.

Motion made by Luckett, seconded by Tinker to add Calvert Equity Fund as the ESG U.S. Stock Fund investment option to the Defined Contribution lineup on Voya Platform and authorized Staff and Board attorney to negotiate applicable agreements.

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

NAY: None

Tinker departed at 11:00 a.m.

C. **Ratification of Emergency Full Liquidation of the Final Investment on the Conway Onshore Access Platform, Series CS Cevian Capital II LP as of March 31, 2020**

Cox explained reasoning behind emergency full liquidation of Series CS Cevian Capital II LP noting avoidance of potential additional three-year investment lock-up and conclusion of transition from Conway Onshore Access Platform to K2 Investors Platform.

Motion made by Luckett, seconded by Dunham to approve the emergency full liquidation of the final investment on Conway Onshore Access Platform, Series CS Cevian Capital II L.P.

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

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

No action taken.

10. Consideration and Possible Action Regarding the Election of Officers

Officers are annually elected to serve one-year terms.

Motion made by Dunham, seconded by Luckett to approve the slate of officers as follows:

Chairman: Doolen

Vice-Chairman: Johnston

Secretary: Park

Treasurer: Luckett

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

NAY: None

11. Consideration and Possible Approval of Chair's Committee Assignments

Based on the recommendation of Chairman Doolen, Vice-Chair Johnston appointed Committees as follows:

Administrative Committee: Johnston

Contract Committee: Reames

Investment Committee: Luckett

Motion made by Dunham, seconded by Park to accept the Vice-Chair's Committee assignments.

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

NAY: None

12. Consideration and Possible Approval of 2020 Trustee Meeting Schedule and Staff Holidays

Cox presented the meeting schedule and Staff holidays.

Motion made by Lockett, seconded by Rooney to approved calendar for Board meeting and Staff holidays as proposed.

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

NAY: None

13. Receive Report on Newly Adopted or Amended OkMRF Member Plans

Whatley reported on newly added plans for existing members, Bethany and Catoosa.

14. OkMRF Staff Report

Girardi reported on her time spent in Stillwater attending this year OMCTFOA Fall Conference. Many valuable contacts were made, and she hopes a few new members will result. Girardi discussed this year's Christmas committee will be sponsoring a family or families. Donations will be accepted from any Trustees wanting to participate at the next meeting.

Whatley provided an update on the upcoming due diligence trip to NYC. Plans have been finalized for all on-site money manager meetings and dinners.

Cox reported on the following items:

- Next month, SSgA will be presenting on multiple strategies held within both DB and DC portfolios. She invited all Trustees to join the traditional Thanksgiving meal to be held afterwards.
- Thanked Trustees for attending this year's OPFTEC and confirmed all in attendance will be provided applicable continuing education credits. Next year will be hosted by Oklahoma Fire Fighters Pension Fund.
- Provided an update on implementing lump sum factors for the DB plan. Implementation will coincide with the next six-year filing cycle which begins early in 2020.
- Expressed appreciation to Lockett for taking on task of exploring different options for sound absorption in Board room. Lockett successfully found a cost-effective product that will absorb 90% of the sound which is 40% more than the existing ceiling panels. Panels will be installed by Wiggin Properties, LLC.

15. New Business

None.

16. Trustee/Member Comments

Dunham recognized Girardi for her 2nd place at OKC Beautiful Third Annual Fall Fest Chili Cookoff.

17. Adjourn

With no further business to conduct meeting adjourned.



Robert Park, Secretary



Robert Johnston – Vice-Chair

Respectfully submitted by:



Katie Girard

