

**MINUTES**  
**BOARD OF TRUSTEES**  
**OKLAHOMA MUNICIPAL RETIREMENT FUND**  
**January 25, 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 January 25, 2019, at 10:03 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  
Tammy 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

**OTHERS PRESENT:**

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

OkMRF Attorney: David Davis

Others: Haley Rives, ACG  
Kevin Moore, ACG  
Mike Edwards, JPMorgan  
Wally Theado, JPMorgan

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

Doolen welcomed everyone and called the meeting to order.

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

  
\_\_\_\_\_  
Signature(s)

2. **Approval of Consent Agenda**

The following items were presented under the consent agenda.

A. **Minutes of December 20, 2018 Meeting(s)**

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

Option	Value by Fund
Defined Benefit	\$532,826,845.93
International Investment Equity	\$ 7,325,850.87
Aggressive Equity	\$ 16,440,741.47
Real Assets Fund	\$ 423,402.06
Global Equity	\$ 6,038,548.26
Growth and Value Equity	\$ 17,639,320.41
S & P 500 Index	\$ 24,085,590.65
Target Retirement 2060	\$ 1,430,037.94
Target Retirement 2055	\$ 3,114,769.26
Target Retirement 2050	\$ 5,754,075.32
Target Retirement 2045	\$ 8,271,919.81
Target Retirement 2040	\$ 11,849,166.86
Target Retirement 2035	\$ 16,720,366.50
Target Retirement 2030	\$ 19,874,577.12
Target Retirement 2025	\$ 32,700,670.42
Target Retirement 2020	\$ 32,306,780.26
Target Retirement Income	\$ 19,373,083.07
Total Yield Bond Fund	\$ 5,317,348.15
Bond Index	\$ 11,339,409.33
Voya Fixed Plus III	\$ 37,504,320.31
Loan Portfolio	\$ 8,350,494.28
Self Directed Brokerage	\$ 135,150.33
Total Assets	\$818,822,468.61

**C. Purchases and Sales of Assets**

**D. Administrative Expenses and Fees**

**Expenses and Fees for January**

Actuary & Recordkeeping	\$37,695
Administration	83,700
Attorney	3,950
Audit	7,000
Board Travel	1,477
Employer Directed Expense	0
Insurance	0
Investment Advisors	146,195
Custodial	10,957
Investment Consultant	30,442
Public Relations	620
Representative Travel	1,929
EXPENSES	<u>\$323,965</u>

**E. Benefit Payments and Contribution Refunds**

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

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

ABSTAIN: Johnson

NAY: None

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

No action taken.

**4. Comments from Public**

Doolen welcomed ACG and JPMorgan guests.

**5. JPMorgan: Annual Update from Investment Manager – Mike Edwards and Wally Theado**

Edwards provided an overview of JPMorgan's Columbus Ohio team, noting an average of 20 years of industry experience. Pending retirements have allowed JPMorgan to bring in junior talent and teach the art of their bottom-up security selection investment philosophy. Theado continued discussions with a market and portfolio review. Earnings are starting to slow, causing corporations to leverage debt, resulting in continued market volatility. Despite volatility, core bond portfolio returns have continually out performed Barclays Aggregate Index, net of fees. To

conclude, Theado discussed future expectations of possible Federal Reserve rate increases towards year-end, government shutdown fears and ongoing China tariff talks.

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

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

Moore presented ASAP reports focusing on the diversity of assets that provide protection during down markets. The first three quarters of 2018 were very strong and solid, but the last quarter erased any gain seen in the portfolio throughout the year. DB Portfolio returns have outperformed policy index returns on a 10-year annualized basis while keeping the portfolio's standard deviations lower than the policy index. Moore commented on shifted asset allocations due to out performance in fixed income causing underweight allocations to equities. The DC Portfolio returns were like the DB Portfolio, with the white-label funds continuing to add value. Additionally, noting that international, REIT's, commodities and TIPS had an extremely hard year.

**B. ACG: 2018 Year in Review with Global Economic Update**

Rives provided a global economic update for 2018. While economic indicators continued to trend up, multiple events caused extreme volatility in the last quarter. U.S. markets remained stronger than non-U.S. markets but did see headwinds such as a strong US dollar and higher valuations. Bond markets remained flat throughout the year. Real estate proved to be defensive with income from highly leased properties despite capital appreciation trending down. Commodities experienced double-digit losses with wild swings in oil being a driving factor. Rives discussed the 'quilt chart' broad asset class performance stating that cash was king in 2018, an event that had not happened in over 40 years. The outlook for 2019 continues to be healthy with the Federal Reserve focusing on inflation to determine any interest rate hikes, continued trade talks with China and 3% expected growth.

Rives concluded with discussing their publication of a one-page research/current topic. ACG will provide on-going educational pieces based on its relevance to the Board.

**C. ACG: Asset Allocation and Capital Market Assumptions Review**

Moore presented the annual review of capital market assumptions, comparing long-term and intermediate term assumptions to the 10-year Treasury yield. ACG believes the next 10 years could prove challenging from a market standpoint. The assumed actuarial assumption will be challenging to achieve in the near term, however over long-term it is reasonably attainable.

**D. ACG: Review of OkMRF 2018 Highlights and 2019 Initiatives**

Moore summarized the 2018 accomplishments: continued education with the Board including discussions on private markets; updated Investment Policy statements; successful transition of hedge fund assets from Conway Investment Research platform to K2 Mauna Kea platform; due diligence trip by Staff and Trustees to ACG and provided money manager recommendations as needed. He further noted ACG was voted one of the best places to work in the St. Louis area and is celebrating 30 years.

The goals for 2019 were discussed: continue to conduct educational training in diverse asset classes; review Investment Policy statements; long/short portfolio enhancements; possible onsite due diligence trips to multiple investment managers and ongoing monitoring of portfolio and development of managers.

**E. Acknowledgement of Receipt of JPMorgan Fifth Amended and Restated Declaration of Trust for Strategic Property Commingled Trust Fund**

Motion made by Lockett, seconded by Tinker to approve Fifth Amendment to the Declaration of Trust for JPMorgan Strategic Property Commingled Trust Fund.

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

NAY: None

**F. Acknowledgement of Receipt of JPMorgan Fifth Amended and Restated Declaration of Trust for the Special Situation Property Commingled Trust Fund**

Motion made by Lockett, seconded by Tinker to approve Fifth Amendment to the Declaration of Trust for JPMorgan Special Situation Property Commingled Trust Fund.

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

NAY: None

**G. 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**

**A. Consideration and Possible Action Regarding Resolution 2019-1 Approving the Destruction of Certain Records**

Motion made by Johnston, seconded by Rooney to approve Resolution 2019-1, approving destruction of certain records.

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

NAY: None

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

No action taken.

**9. 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 El Reno and Walters CMO plans.

**10. OkMRF Staff Report**

Whatley revealed 2018 stock market prediction winners and new predictions were made for 2019, based on S&P 500 instead of Dow Jones.

Cox reported on the following items:

- Next month's meeting is on a Thursday and Artisan will be presenting via teleconference.
- Investment committee will meet at 8:30 prior to board meeting to receive ACG's semi-annual report and discuss long/short recommendations.

- Contract committee will meet at 8:30 prior to board meeting to review vendor evaluations and fiduciary liability and crime policy renewal quotes.
- 2019 Conferences and Seminars opportunities were discussed, highlighting our Trustee retreat, OPFTEC and ACG educational training.

**11. New Business**

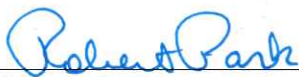
None.

**12. Trustee/Member Comments**

Tinker suggested to have an educational session at a future public funds conference on open record requests and confidentiality concerns on releasing information.

**13. Adjourn**

With no further business to conduct meeting adjourned.

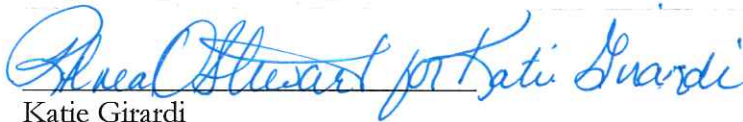


Robert Park, Secretary



Donna Doolen, Chair

Respectfully submitted by:



Katie Girardi