

MINUTES
BOARD OF TRUSTEES
OKLAHOMA MUNICIPAL RETIREMENT FUND
November 22, 2019

1. Call To Order

The Board of the Oklahoma Municipal Retirement Fund met at Oklahoma Municipal Retirement Fund Offices, Oklahoma City, Oklahoma, on November 22, 2019, at 10:01 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
Tim Rooney, City Manager, City of Mustang
Ed Tinker, Retiree, City of Glenpool (*arrived at 10:06 a.m.*)

OTHERS PRESENT:

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

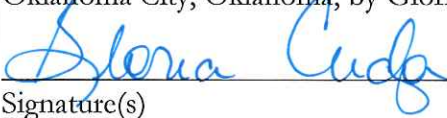
OkMRF Attorney: David Davis

Others: Haley Rives, ACG
Elise Jadhav, SSgA
Brian Murtagh, SSgA

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 November 22, 2019 meeting was posted in Columbus Square, Oklahoma City, Oklahoma, by Gloria Cudjoe by 10:00 a.m. on November 21, 2019.


Signature(s)

2. Approval of Consent Agenda

The following items were presented under the consent agenda.

A. Minutes of October 25, 2019 Meeting(s)

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

| Option | Value By Fund |
|---------------------------------|------------------|
| Defined Benefit | \$603,443,598.24 |
| International Investment Equity | \$ 8,566,849.73 |
| Aggressive Equity | \$ 17,983,060.49 |
| Real Assets Fund | \$ 396,122.91 |
| Global Equity | \$ 8,059,638.44 |
| Growth and Value Equity | \$ 20,326,693.88 |
| S & P 500 Index | \$ 29,136,259.80 |
| Target Retirement 2060 | \$ 2,374,454.29 |
| Target Retirement 2055 | \$ 4,200,021.00 |
| Target Retirement 2050 | \$ 7,446,716.84 |
| Target Retirement 2045 | \$ 10,621,079.93 |
| Target Retirement 2040 | \$ 14,336,793.31 |
| Target Retirement 2035 | \$ 20,323,308.87 |
| Target Retirement 2030 | \$ 24,797,801.36 |
| Target Retirement 2025 | \$ 38,301,374.39 |
| Target Retirement 2020 | \$ 32,082,166.15 |
| Target Retirement Income | \$ 22,165,886.67 |
| Total Yield Bond Fund | \$ 5,786,535.21 |
| Bond Index ¹ | \$ 14,437,665.64 |
| Voya Fixed Plus III | \$ 36,798,963.85 |
| Loan Portfolio | \$ 8,904,077.37 |
| Self Directed Brokerage | \$ 179,310.60 |
| Total Assets | \$930,668,378.97 |

C. Purchases and Sales of Assets

D. Administrative Expenses and Fees

Expenses and Fees for November

| | |
|---------------------------|---------------------|
| Actuary & Recordkeeping | 43,027.91 |
| Administration | 91,012.74 |
| Attorney | 3,950.00 |
| Audit | 6,500.00 |
| Board Travel | 6,413.40 |
| Employer Directed Expense | 0.00 |
| Insurance | 0.00 |
| Investment Advisors | 0.00 |
| Custodial | 13,426.10 |
| Investment Consultant | 0.00 |
| Public Relations | 1,441.83 |
| Representative Travel | <u>5,461.08</u> |
| EXPENSES | <u>\$171,233.06</u> |

E. Benefit Payments and Contribution Refunds

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

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

NAY: None

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

No action taken.

4. Comments from Public

None.

(Tinker arrived at 10:06 a.m.)

5. SSgA: Annual Update from Investment Manager – Elise Jadhav and Brian Murtagh

Jadhav began the presentation addressing recent news regarding State Street Corporation's decision to reduce their operational function employee base by 5%. This reduction did not directly affect SSgA but was an opportunity for State Street to open international offices in Poland and

India to mitigate rising operating costs. Jadhav reiterated no material changes to SSgA's global investment team.

Murtagh began discussion on SSgA's current ESG investment scoring process called R-Factor. This tool will help clients to measure the performance of a company's operations and governance as it relates to ESG. Reporting will include ESG scores, positions and holdings along with carbon intensity and stewardship profiles. R-Factor scores will be included in quarterly performance reports beginning in 2020.

Murtagh discussed SSgA's current and future focus on reducing investment fees and transaction costs. SSgA's large asset base of approximately \$3 trillion can be used to leverage multiple domestic and international teams to evaluate asset allocations on an annual basis and determine if there are any missed efficiencies. Murtagh concluded the presentation with the introduction of Target Date 2065 fund, shifting of asset allocations in Target Date funds and a glide path roll down to be officially communicated on December 2nd.

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

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

Rives began by discussing how four market drivers; monetary policy, geopolitical events, corporate earnings and consumer resilience, created an interesting and positive market year-to-date. While in the longest running bull market in history, no near-term signs of recession are on the horizon, but with 2020 being an election year, the current administration will diligently avoid all precursors to a recession.

The DB portfolio continues to improve on both long-term returns and risk with many of the managers adding value, net of fees, but with less risk. Year-to-date total portfolio returns were reported at 15.63%, net of fees, trailing the policy index by 32 bps. Artisan and Amundi Pioneer were the only money managers that underperformed their respective benchmark, year-to-date, but neither indicates cause for concern.

The DC portfolio had strong performance across all investment options. The Aggressive Equity option had a challenging third quarter due to high dispersion between small-cap and mid-cap exposure. Real Assets reported strong year-to-date performance of 14.11%, driven mainly by its REIT allocation.

B. **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**

No action taken.

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 and those members who have adopted the new Master Plan.

10. **OkMRF Staff Report**

Girardi provided an update on this year's Christmas Committee. OkMRF Trustees and Staff will be sponsoring a family of four children from Youth & Family Services out of El Reno. Monetary donations will be accepted from Trustees and Staff wanting to participate through December 4th. Gifts will be delivered on December 10th.

Whatley, Girardi, Tinker, Luckett and Rooney provided an update on their recent due diligence trip to New York City to visit eight money managers over five days. All attendees agreed the trip was extremely beneficial and provided positive feedback on specific manager visits. Trustees expressed their appreciation of the decision makers at each firm taking the time to visit with them.

Cox reported on the following items:

- Reminded Trustees that December's meeting will be held earlier in the month on Thursday, December 19th. She invited all Trustees to participate in an ugly sweater tradition and join Power Team partners and Staff for a Christmas meal to be served afterwards.
- At the December meeting, Dean Actuaries will be presenting topics of interest and Finley & Cook will be presenting audit report and findings, if any.
- OkMRF will be mailing New Year's cards to the entire Membership.
- Attended and taught a class at recent OML Employment Seminar in early November.
- Provided an update on DB Members adopting the restated DB plan and joinder agreement; received 24 of 130 Membership documents. Deadline to receive approved documents is January 31st.
- The judge involved with the securities litigation case against Health Insurance Innovations has denied their motion to dismiss. The case is now in discovery phase. Cox and Davis will meet with Saxena White next week to be briefed on next steps.

11. New Business

None.

12. Trustee/Member Comments

None.

13. Adjourn

With no further business to conduct meeting adjourned.



Robert Park, Secretary



Donna Doolen – Chair

Respectfully submitted by:


Kate Girardi

