

MINUTES
BOARD OF TRUSTEES
OKLAHOMA MUNICIPAL RETIREMENT FUND
January 31, 2020

1. Call To Order

The Board of the Oklahoma Municipal Retirement Fund met at Oklahoma Municipal Retirement Fund Offices, Oklahoma City, Oklahoma, on January 31, 2020, 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
Melissa Reames, Deputy City Manager & Chief Financial Officer, City of Stillwater
Ed Tinker, Retiree, City of Glenpool

OTHERS PRESENT:

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

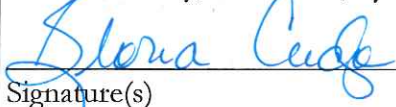
OkMRF Attorney: David Davis

Others: Kevin Moore, ACG
Jeffrey Braemer, TimesSquare

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 January 31, 2020 meeting was posted in Columbus Square, Oklahoma City, Oklahoma, by Gloria Cudjoe by 10:00 a.m. on January 30, 2020.


Signature(s)

2. Approval of Consent Agenda

The following items were presented under the consent agenda.

A. Minutes of December 19, 2019 Meeting(s)

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

Option	Value By Fund
Defined Benefit	\$ 628,633,373.09
International Investment Equity	\$ 9,085,856.58
Aggressive Equity	\$ 19,326,705.66
Real Assets Fund	\$ 403,157.51
Global Equity	\$ 8,614,323.35
Growth and Value Equity	\$ 22,148,001.04
S & P 500 Index	\$ 31,433,202.40
Target Retirement 2060	\$ 2,594,764.14
Target Retirement 2055	\$ 4,483,435.78
Target Retirement 2050	\$ 8,003,988.13
Target Retirement 2045	\$ 11,379,775.77
Target Retirement 2040	\$ 15,239,069.66
Target Retirement 2035	\$ 21,425,582.29
Target Retirement 2030	\$ 25,699,431.00
Target Retirement 2025	\$ 39,649,224.09
Target Retirement 2020	\$ 32,790,688.98
Target Retirement Income	\$ 21,529,558.62
Total Yield Bond Fund	\$ 5,842,185.23
Bond Index	\$ 14,282,603.41
Voya Fixed Plus III	\$ 38,365,659.58
Loan Portfolio	\$ 8,741,783.06
Self-Directed Brokerage	\$ 178,248.93
Total Assets	\$ 969,850,618.30

C. Purchases and Sales of Assets

D. Administrative Expenses and Fees

Expenses and Fees for January

Actuary & Recordkeeping	\$ 46,268.32
Administration	94,443.31
Attorney	3,950.00
Audit	5,500.00
Board Travel	1,220.44
Employer Directed Expense	800.00
Insurance	0.00
Investment Advisors	162,024.37
Custodial	12,080.95
Investment Consultant	31,020.77
Public Relations	1,314.69
Representative Travel	<u>2,170.01</u>
EXPENSES	\$ <u>360,792.86</u>

E. Benefit Payments and Contribution Refunds

F. Approval of Jody Elliott's Retirement Resulting in OkMRF Pension Beginning March 1, 2020

G. Approval of Disposal of Miscellaneous Obsolete Furniture, Equipment and Supplies

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

Motion carried: AYE: Doolen, Dunham, Johnson, Johnston, Lockett, 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. **TimesSquare: Annual Update from Investment Manager – Jeffrey Braemer**

Braemer presented an update on the firm, expansion of partnership and addressed succession planning. The U.S. Small/Mid Cap Growth and U.S. Small Cap portfolios were reviewed, noting strong returns that exceeded their respective benchmarks, the increased trend of over lapping equities being held in both strategies and a review of the contributors and distractors for the past year.

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

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

Moore began discussion by highlighting the great returns for the calendar year 2019 at 20.74% net of fees, with the ten-year return at 9.16% versus the policy benchmark of 8.91% for the Defined Benefit portfolio. Also noted was the performance of the long only managers and the fixed income managers, all beating their respective benchmarks during the strong equities market of 2019. Update provided on new client assets that will be transitioning on to the K2 platform in the second half of the new year, which will result in lower management fees as the assets increase.

Defined Contribution Investment options had strong results for the year and performed as expected, with the vast majority beating their respective benchmarks. The Target Retirement Options continue to increase in asset value with returns ranging from a high of 25% to a low of 13.22% in the most conservative level for the calendar year.

B. **ACG: 2019 Year in Review with Global Economic Update**

Moore presented ACG's economic update noting very strong results for 2019. Long biased hedge funds did very well, the U.S. Fed was very accommodating by cutting rates three (3) times during the year and the U.S. economy grew for the 10th consecutive year due to good consumer spending and healthy job market. Discussion points were presented outlining sentiments at the start of the 2010 decade compared to beginning of the 2020 decade. Some of the notable comparisons: pessimism high at start of 2010, optimism high for 2020; equities cheaper at 2010 with higher appreciation at the start of 2020; unemployment at 10% then, currently at 3.5%; and, tremendous growth in U.S. ESG strategies under management since 2010 and appears to be the mindset going forward.

He provided a brief overview of ACG's Investment Committee six (6) key areas that they think will drive investment returns over the intermediate term within their disciplined process.

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

Moore reviewed ACG's capital market assumptions for both the intermediate 10-year and long-term 30-year time periods. Two different data bases are maintained for the 10-year intermediate and 30-year long-term assumptions. The intermediate assumptions will always be lower than the long-term due to the TIPS breakeven analysis, which is a vital component of their analysis and data bases. The capital market assumption for the intermediate 10-year is 5.52% with the long-term 30-year at 7.39% based on the DB portfolio allocation targets.

D. **ACG: Review of OkMRF 2019 Highlights and 2020 Initiatives**

Moore briefly went over the highlights for the past year noting continued educational topics presented, selection of an ESG manager for the DC Investment options and tweaking within

the long/short allocation. The initiatives for 2020 will be a continuation of education and due diligence matters as it pertains to both the DB and DC portfolios.

E. Consideration and Possible Action Regarding Amendment to SSgA Participation Agreement and Related Schedules to Add Target Retirement 2065 Fund, Non-Lending Series – Class K to the DC Investment Options

Motion made by Lockett, seconded by Park to approve the amendment to the SSgA Participation Agreement to add the Target Retirement Fund 2065, Non-Lending, Class K to the DC Investment options.

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

NAY: None

F. 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 2020-1 Approving the Destruction of Certain Records

Motion made by Johnston, seconded by Dunham to approve Resolution 2020-1, approving destruction of certain records.

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

NAY: None

8. Consideration and Possible Action Regarding Contract Committee Report

No action taken. Committee will meet next month at 8:30 a.m.

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 restated Master Plan and Joinder. Girardi was recognized for a new plan, Town of Calumet, prior to this amendment, the Chief of Police was the only Participant covered.

10. OkMRF Staff Report

Whatley reported on the following items:

- Revealed the 2019 stock market prediction winners and new predictions made for 2020.
- Attended the CMAO Winter Conference in Edmond the past two days and remarked on the increased attendance and growth of new attendees.

Cox reported on the following items:

- Recognized staff member, Jody Elliott as a new OkMRF retiree, effective March 1, 2020 and presented gift of appreciation.
- Amundi Pioneer will be the money manager presenter next month.

- Contract committee will meet at 8:30 a.m. prior to next meeting to review vendor evaluations.
- Investment Committee will meet at 8:30 a.m. prior to the next board meeting to receive Semi-Annual Investment Performance Report and update on long/short allocation.
- Update provided on the class action lawsuit (HIIQ) with it being in the discovery phase with an impending deadline for a response to be filed soon by Saxena White.
- Approximately 85% of the DB membership has adopted the amended and restated Master Plan and Joinder documents.
- 2020 Conference and Seminar opportunities were provided and discussed.
- Provided an update on Jenks transition. A letter of termination has been sent to their existing provider, resulting in transition planning to start progressing for a tentative live date of July 1, 2020.
- Discussions are being held with the City of Lawton to establish a new City Manager plan as well as inquiries regarding options for their existing DB and DC plans for employees.

11. New Business

None.

12. Trustee/Member Comments

Trustee Luckett requested consideration be given for Whatley and Girardi to start attending the Oklahoma Association of Municipal Attorneys (OAMA) conference.

Trustee Johnson discussed the possibility of having next year's January board meeting with a delayed start time in order to follow the conclusion of the CMAO Winter meeting and possibly offsite at the conference location.

13. Adjourn

With no further business to conduct meeting adjourned.



Robert Park, Secretary



Donna Doolen, Chair

Respectfully submitted by:



Rhnea Stewart