

TEACHERS' RETIREMENT SYSTEM OF OKLAHOMA
Regular Board Meeting
Wednesday, September 24, 2014 – 9:00 AM
TRS Administration Board Room
2500 N. Lincoln Blvd., 5th Floor, Oklahoma City, OK

AGENDA

- 1. ROLL CALL FOR QUORUM**
- 2. DISCUSSION AND POSSIBLE ACTION ON APPROVAL OF MINUTES:**
 - A. August 24, 2014 Special Meeting
 - B. August 25, 2014 Special Meeting
 - C. August 27, 2014 Regular Board Meeting
- 3. PRESENTATION BY INVESTMENT MANAGEMENT RFP FINALISTS:**
 - A. Antheus
 - B. American Realty
 - C. Dune
 - D. GreenOak
 - E. Landmark
 - F. Starwood
- 4. DISCUSSION AND POSSIBLE ACTION ON REAL ESTATE VALUE-ADDED AND OPPORTUNISTIC RFPs**
- 5. DISCUSSION AND POSSIBLE ACTION ON INVESTMENT CONSULTANT MONTHLY REPORT**
- 6. DISCUSSION AND POSSIBLE ACTION ON MANAGER STATUS SUMMARY REPORT:**

The Board of Trustees may elect to make any changes to the status of any manager based on the information available at the Board meeting
- 7. DISCUSSION AND POSSIBLE ACTION ON INVESTMENT COMMITTEE REPORT:** (*see attached agenda*)
- 8. DISCUSSION AND POSSIBLE ACTION ON COMMITTEE REPORTS:**
 - A. Governance
 - B. Audit
- 9. DISCUSSION AND POSSIBLE ACTION ON OTRS STRATEGIC PLAN**
- 10. DISCUSSION AND POSSIBLE ACTION TO APPROVE PROPOSED FISCAL YEAR 2016 BUDGET**
- 11. DISCUSSION AND POSSIBLE ACTION TO APPROVE APPLICATION FOR OTRS MEMBERSHIP:**
 - A. Harper Academy Charter School
 - B. John Rex Elementary Charter School

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AGENDA (cont.)

- 12. DISCUSSION AND POSSIBLE ACTION TO APPROVE APPLICATIONS FOR RETIRED EDUCATOR ASSOCIATIONS TO MAKE NON-VOTING TRUSTEE APPOINTMENT**
 - A. Oklahoma Retired Educators Association (OREA)
 - B. Retired Professional Oklahoma Educators (RPOE)
- 13. DISCUSSION AND POSSIBLE ACTION TO EXTEND PERSONNEL INTERCHANGE PROGRAM CONTRACT FOR SERVICES OF INTERIM EXECUTIVE DIRECTOR**
- 14. DISCUSSION AND POSSIBLE ACTION TO APPROVE THE ANNUAL LEAVE TRANSFER OF THE EXECUTIVE DIRECTOR EFFECTIVE NOVEMBER 1, 2014**
- 15. DISCUSSION AND POSSIBLE ACTION TO AUTHORIZE OTRS STAFF TO NEGOTIATE AMENDMENTS TO THE CONTRACT/STATEMENT OF WORK WITH MYCONSULTING GROUP APPROVED BY THE BOARD IN OCTOBER 2013**
- 16. DISCUSSION AND POSSIBLE ACTION TO APPROVE AMENDMENT TO COLE & REED P.C. EXTERNAL AUDITING CONTRACT**
- 17. DISCUSSION AND POSSIBLE ACTION ON GASB 68 IMPLEMENTATION**
- 18. DISCUSSION AND POSSIBLE ACTION ON AGENCY REPORTS:**
 - A. Client Services (70 O.S. 17-105)
 - B. Human Resources
 - C. Finance
 - D. General Counsel
 - E. Interim Executive Director
- 19. QUESTIONS AND COMMENTS FROM TRUSTEES**
- 20. NEW BUSINESS**
- 21. ADJOURNMENT**

Note: The Board of Trustees may discuss, vote to approve, vote to disapprove, or decide not to discuss any item on the agenda.

**TEACHERS' RETIREMENT SYSTEM OF OKLAHOMA
Investment Committee Meeting
Tuesday, September 23, 2014 – 3:00 PM
TRS Administration Board Room
2500 N. Lincoln Blvd., 5th Floor, Oklahoma City, OK**

AGENDA

- 1. CALL TO ORDER**
- 2. DISCUSSION AND POSSIBLE ACTION ON INVESTMENT CONSULTANT MONTHLY REPORT**
- 3. PRESENTATION BY INVESTMENT MANAGERS:**
 - A. AEW
 - B. Heitman
- 4. DISCUSSION AND POSSIBLE ACTION ON QUARTERLY REAL ESTATE REPORT**
- 5. DISCUSSION AND POSSIBLE ACTION ON REAL ESTATE SEARCH**
- 6. DISCUSSION AND POSSIBLE ACTION ON LORD ABBETT INVESTMENT MANAGEMENT AGREEMENT AMENDMENT REGARDING TREASURY FUTURES**
- 7. DISCUSSION AND POSSIBLE ACTION REGARDING UPDATE ON TRANSITION**
- 8. DISCUSSION AND POSSIBLE ACTION TO APPROVE TRANSITION MANAGEMENT RFP**
- 9. QUESTIONS AND COMMENTS FROM TRUSTEES**
- 10. ADJOURNMENT**

ALL BOARD MEMBERS ARE ENCOURAGED TO ATTEND INVESTMENT COMMITTEE MEETINGS

INVESTMENT COMMITTEE:

Chair: Vernon Florence

Members: James Dickson, Roger Gaddis, Jill Geiger, Gary Trennepohl

**MEETING MINUTES
AUGUST 24, 2014
BOARD OF TRUSTEES
TEACHERS' RETIREMENT SYSTEM OF OKLAHOMA**

The special meeting of the Board of Trustees of the Teachers' Retirement System of Oklahoma was called to order by Chairman Bill Peacher at 1:30 p.m. in the W.B. Skirvin Suite at the Skirvin Hotel, 1 Park Avenue, Oklahoma City, OK. The meeting notice and agenda were posted in accordance with 25 O.S. Section 311(A)(11).

TRUSTEES PRESENT:

Bill Peacher, *Chairman*
Vernon Florence, *Vice-Chairman*
Beth Kerr, *Secretary*
James Dickson

Jill Geiger
Judie Harris
Stewart Meyers
Andrew Oster
Gary Trennepohl

TRUSTEES ABSENT:

Roger Gaddis
Philip Lewis
Billie Stephenson
Greg Winters

TRS STAFF PRESENT:

Julie Ezell, *General Counsel*

OTHERS PRESENT:

Gary Hudepohl, *Hudepohl & Associates*

**Denotes late arrival or early departure*

ITEM 1 - ROLL CALL FOR QUORUM: Chairman Peacher called the Board meeting to order at 1:30 p.m. and asked for a poll to determine if a quorum was present. Trustees responding were as follows: Mr. Dickson, Mr. Florence, Ms. Geiger, Ms. Harris, Ms. Kerr, Mr. Meyers, Mr. Oster, Dr. Trennepohl, and Chairman Peacher.

**ITEM 2 – EXECUTIVE SESSION REGARDING THE INTERVIEWING,
EMPLOYMENT, HIRING, OR APPOINTMENT OF CANDIDATE(S) FOR THE
POSITION OF EXECUTIVE DIRECTOR OF THE TEACHERS' RETIREMENT
SYSTEM OF OKLAHOMA:**

A motion was made by Mr. Florence with a second made by Mr. Dickson to resolve into Executive Session at 1:35 p.m. The motion carried by a unanimous voice vote. Trustees responding were as follows: Mr. Dickson, Mr. Florence, Ms. Geiger, Ms. Harris, Ms. Kerr, Mr. Meyers, Mr. Oster, Dr. Trennepohl, and Chairman Peacher.

After a lengthy discussion, a motion was made by Mr. Oster with a second made by Ms. Kerr to return to open session at 4:30 p.m. The motion carried by a unanimous voice vote. Trustees responding were as follows: Mr. Dickson, Mr. Florence, Ms. Geiger, Ms. Harris, Ms. Kerr, Mr. Meyers, Mr. Oster, Dr. Trennepohl, and Chairman Peacher.

ITEM 3 – ACTION ON ITEMS DISCUSSED IN EXECUTIVE SESSION:

No action was taken.

ITEM 4 – ADJOURNMENT

The Chairman adjourned the meeting at 4:35 p.m.

BOARD OF TRUSTEES, TEACHERS' RETIREMENT SYSTEM OF OKLAHOMA

BY: _____
Bill Peacher, Chairman

ATTEST:

BY: _____
Beth Kerr, Secretary

**MEETING MINUTES
AUGUST 25, 2014
BOARD OF TRUSTEES
TEACHERS' RETIREMENT SYSTEM OF OKLAHOMA**

The special meeting of the Board of Trustees of the Teachers' Retirement System of Oklahoma was called to order by Chairman Bill Peacher at 10:00 a.m. in the W.B. Skirvin Suite at the Skirvin Hotel, 1 Park Avenue, Oklahoma City, OK. The meeting notice and agenda were posted in accordance with 25 O.S. Section 311(A)(11).

TRUSTEES PRESENT:

Bill Peacher, *Chairman*
Vernon Florence, *Vice-Chairman*
Beth Kerr, *Secretary*
James Dickson

Jill Geiger*
Judie Harris
Stewart Meyers
Andrew Oster
Gary Trennepohl

TRUSTEES ABSENT:

Roger Gaddis
Philip Lewis
Billie Stephenson
Greg Winters

TRS STAFF PRESENT:

Julie Ezell, *General Counsel*

OTHERS PRESENT:

Gary Hudepohl, *Hudepohl & Associates*

**Denotes late arrival or early departure*

ITEM 1 - ROLL CALL FOR QUORUM: Chairman Peacher called the Board meeting to order at 10:01 a.m. and asked for a poll to determine if a quorum was present. Trustees responding were as follows: Mr. Dickson, Mr. Florence, Ms. Harris, Ms. Kerr, Mr. Meyers, Mr. Oster, Dr. Trennepohl, and Chairman Peacher.

ITEM 2 – EXECUTIVE SESSION REGARDING THE INTERVIEWING, EMPLOYMENT, HIRING, OR APPOINTMENT OF CANDIDATE(S) FOR THE POSITION OF EXECUTIVE DIRECTOR OF THE TEACHERS' RETIREMENT SYSTEM OF OKLAHOMA:

A motion was made by Mr. Florence with a second made by Mr. Dickson to resolve into Executive Session at 10:05 a.m. The motion carried by a unanimous voice vote. Trustees responding were as follows: Mr. Dickson, Mr. Florence, Ms. Harris, Ms. Kerr, Mr. Meyers, Mr. Oster, Dr. Trennepohl, and Chairman Peacher.

Jill Geiger joined the meeting at 10:12 a.m.

After a lengthy discussion, a motion was made by Mr. Oster with a second made by Ms. Kerr to return to open session at 1:40 p.m. The motion carried by a unanimous voice vote. Trustees responding were as follows: Mr. Dickson, Mr. Florence, Ms. Geiger, Ms. Harris, Ms. Kerr, Mr. Meyers, Mr. Oster, Dr. Trennepohl, and Chairman Peacher.

ITEM 3 – ACTION ON ITEMS DISCUSSED IN EXECUTIVE SESSION:

No action was taken.

ITEM 4 – ADJOURNMENT

The Chairman adjourned the meeting at 1:45 p.m.

BOARD OF TRUSTEES, TEACHERS' RETIREMENT SYSTEM OF OKLAHOMA

BY: _____
Bill Peacher, Chairman

ATTEST:

BY: _____
Beth Kerr, Secretary

**MEETING MINUTES
AUGUST 27, 2014
BOARD OF TRUSTEES
TEACHERS' RETIREMENT SYSTEM OF OKLAHOMA**

The regularly scheduled meeting of the Board of Trustees of the Teachers' Retirement System of Oklahoma was called to order by Bill Peacher, Chairman, at 9:02 a.m., in the Administration Board Room, 5th Floor, Oliver Hodge Education Building, 2500 N. Lincoln Blvd., OKC, OK. The meeting notice and agenda were posted in accordance with 25 O.S. Section 311(A)(11).

TRUSTEES PRESENT:

Bill Peacher, <i>Chair</i>	Judie Harris
Vernon Florence, <i>Vice Chair</i>	Philip Lewis
Beth Kerr, <i>Secretary</i>	Stewart Meyers
James Dickson	Andrew Oster
Roger Gaddis	Gary Trennepohl
Jill Geiger	Greg Winters

TRUSTEES ABSENT:

Billie Stephenson

TRS STAFF PRESENT:

Tom Spencer, *Interim Executive Director*
Julie Ezell, *General Counsel*
Dixie Moody, *Director of Client Services*
Riley Shaull, *Comptroller*
Kim Bold, *Director of Human Resources*
Debra Plog, *Manager of Employer Reporting*
Melissa Kempkes, *Investment Analyst*
Susan Yingling, *Executive Assistant*

OTHERS PRESENT:

Danna Foreman, *POE*
Norman Cooper, *OREA*
Shawn Ashley, *eCapitol*
Emily Summars, *Journal Record*
Steve Massey, *OREA*
Chancen Flick, *OEA*
Jack Herron, *POE*
Bill Bentley, *POE*

*Denotes late arrival or early departure.

ITEM 1 - ROLL CALL FOR QUORUM: Chairman Peacher called the Board meeting to order at 9:02 a.m. and asked for a poll to determine if a quorum was present. Trustees responding were as follows: Mr. Dickson, Mr. Florence, Mr. Gaddis, Ms. Geiger, Ms. Harris, Ms. Kerr, Dr. Lewis, Mr. Meyers, Mr. Oster, Dr. Trennepohl, Dr. Winters, and Chairman Peacher.

ITEM 2 – MEETING MINUTES: A motion was made by Mr. Oster with a second made by Ms. Kerr to approve the July 23, 2014 Board meeting minutes as presented. The motion carried by a unanimous voice vote. Trustees responding were as follows: Mr. Dickson, Mr. Florence, Mr. Gaddis, Ms. Geiger, Ms. Harris, Ms. Kerr, Dr. Lewis, Mr. Meyers, Mr. Oster, Dr. Trennepohl, Dr. Winters, and Chairman Peacher.

ITEM 3 - DISCUSSION AND POSSIBLE ACTION ON INVESTMENT CONSULTANT MONTHLY REPORT: Investment Consultants to the Board, Greg Weaver and Doug Anderson of Gregory W. Group, gave their monthly report to the Board. No action was necessary.

ITEM 4 - PRESENTATION BY INVESTMENT MANAGER(S): Investment Managers, AJO and L&B Realty, gave their respective reports to the Board. No action was necessary.

ITEM 5 - MANAGER STATUS SUMMARY REPORT: Investment Consultants to the Board, Greg Weaver and Doug Anderson of Gregory W. Group, gave the Board their Manager Status Summary Report. Mr. Weaver said that there was no need to change three of the managers on the list. Those three included Mackay Shields LLC, Geneva Capital Management LTD, and Lord Abbett & Co. LLC. Mr. Weaver said those managers would continue to be monitored, but that no additional action was recommended at this time. He said Thornburg's status had its own agenda item and would be discussed later in the meeting. After some discussion, no action was necessary.

ITEM 6 – INVESTMENT CONSULTANT QUARTERLY REPORT: Investment Consultants to the Board, Greg Weaver and Doug Anderson of Gregory W. Group, presented their quarterly report to the Board. No action was necessary.

ITEM 7 – INVESTMENT CONSULTANT QUARTERLY 403(B) REPORT: Investment Consultants to the Board, Greg Weaver and Doug Anderson of Gregory W. Group, presented the quarterly 403(b) report to the Board. No action was necessary.

ITEM 8 - INVESTMENT COMMITTEE REPORT: Mr. Florence, Chair of the Investment Committee, presented the Investment Committee Report from the August 26, 2014 meeting. Mr. Florence said the Investment Committee had four motions to present to the Board for consideration.

Mr. Florence explained to the Board that Franklin Park had requested funding of \$200 million for 2015 and \$200 million for 2016. He said the Investment Committee recommended committing \$200 million for 2015, but felt it was better to wait to approve any funding for 2016.

Dr. Trennepohl asked if this was for fiscal year 2015 or calendar year 2015. Mr. Weaver said it was a calendar year so the funding would start on January 1, 2015.

After some discussion, a motion was made by Mr. Dickson with a second made by Mr. Gaddis to approve the commitment of \$200 million in funding to Franklin Park for 2015, but not the request for funding for 2016. The motion carried by a unanimous voice vote. Trustees responding were as follows: Mr. Dickson, Mr. Florence, Mr. Gaddis, Ms. Geiger, Ms. Harris, Ms. Kerr, Dr. Lewis, Mr. Meyers, Mr. Oster, Dr. Trennepohl, Dr. Winters, and Chairman Peacher.

Mr. Florence said the second recommendation from the Investment Committee involved an exception request from Lord Abbett to increase their allocation into the emerging High Yield market portfolio for three years from 10% to 15%. Mr. Peacher reminded the Board that this was 5% less than the exception request Lord Abbett had made the previous month. He and Mr. Gaddis

said they had met with Lord Abbett during a due diligence trip to New York and felt that the increase was something the Board should consider.

Dr. Trennepohl said the OTRS Investment Policy was high on the list of items up for review by the Governance Committee. He expressed concerns for investing in emerging markets as well as granting so many exception requests. After a lengthy discussion, a motion was made by Mr. Gaddis with a second made by Ms. Geiger to approve Lord Abbett's exception request to increase the allocation into their emerging market High Yield portfolio to 15% for three years. Those voting aye are as follows: Mr. Dickson, Mr. Florence, Mr. Gaddis, Ms. Geiger, Ms. Harris, Ms. Kerr, Dr. Lewis, Mr. Meyers, Mr. Oster, Dr. Winters, and Chairman Peacher. Those voting no are as follows: Dr. Trennepohl. The motion carried.

Mr. Florence said the third item the Investment Committee was recommending to the Board was the approval of a second exception request from Lord Abbett that would allow them to hold on to bonds from Argentina that had been downgraded below "CCC" in hope of recovering some of the money. After a brief discussion, a motion was made by Mr. Gaddis with a second made by Ms. Geiger to approve Lord Abbett's exception request to hold bonds from Argentina that had been downgraded below "CCC." The motion carried by a unanimous voice vote. Trustees responding were as follows: Mr. Dickson, Mr. Florence, Mr. Gaddis, Ms. Geiger, Ms. Harris, Ms. Kerr, Dr. Lewis, Mr. Meyers, Mr. Oster, Dr. Trennepohl, Dr. Winters, and Chairman Peacher.

Mr. Florence said the fourth and final item the Investment Committee had for the Board involved the manager status of Thornburg. Mr. Weaver said that a process needed to be followed in order to terminate a manager that involved finding and hiring a transition manager to manage the funds that would be pulled from the terminated manager. Mr. Florence said the motion from the Investment Committee needed to be amended because it had not taken into account the need to empower staff to make a decision before the next Board meeting. The initial motion made by Mr. Dickson and seconded by Mr. Gaddis was to terminate Thornburg and direct staff and consultants to create a transition plan. After some discussion, it was suggested that the motion be amended to allow staff and the investment consultants to develop a transition plan and select a transition manager and poll the Investment Committee members before the next Board meeting. Mr. Dickson made a motion to accept the amendment and restated his motion to terminate Thornburg and direct staff and the investment consultants to develop a transition plan, select a manager, and poll the Investment Committee members on the decision before the next Board meeting. The amendment and motion was seconded by Mr. Gaddis. The amended motion carried by a unanimous voice vote. Trustees responding were as follows: Mr. Dickson, Mr. Florence, Mr. Gaddis, Ms. Geiger, Ms. Harris, Ms. Kerr, Dr. Lewis, Mr. Meyers, Mr. Oster, Dr. Trennepohl, Dr. Winters, and Chairman Peacher.

A break was taken from 10:46 a.m. to 10:55 a.m.

ITEM 9 – BOARD COMMITTEE REPORTS:

Dr. Gary Trennepohl, Chair of the Governance Committee, said there was no report from the committee. No action was necessary.

Mr. Stewart Meyers, Chair of the Audit Committee, said that the internal auditors, Stinnett & Associates, were currently conducting interviews with the OTRS staff and that the process was continuing as planned. No action was necessary.

Dr. Trennepohl, Chair of the Executive Director Search Committee, told the Board that the Executive Director Search Committee had conducted interviews with the candidates for the

position of OTRS Executive Director. He said the Committee was ready to make a recommendation to the Board. After some discussion, no action was necessary.

Ms. Kerr suggested the Board move up the Executive Session to discuss the candidate and recommendation. The Board agreed with her suggestion.

ITEM 12 – EXECUTIVE SESSION REGARDING THE INTERVIEWING, EMPLOYMENT, HIRING, OR APPOINTMENT OF CANDIDATE(S) FOR THE POSITION OF EXECUTIVE DIRECTOR OF THE TEACHERS’ RETIREMENT SYSTEM OF OKLAHOMA:

- A) A motion was made by Ms. Kerr with a second made by Ms. Geiger to resolve into Executive Session at 11:34 a.m. The motion carried by a unanimous voice vote. Trustees responding were as follows: Mr. Dickson, Mr. Florence, Mr. Gaddis, Ms. Geiger, Ms. Harris, Ms. Kerr, Dr. Lewis, Mr. Meyers, Mr. Oster, Dr. Trennepohl, Dr. Winters, and Chairman Peacher.
- B) A motion was made by Dr. Winters with a second made by Mr. Dickson to adjourn from Executive Session and return to open session at 11:54 a.m. The motion carried by a unanimous voice vote. Trustees responding were as follows: Mr. Dickson, Mr. Florence, Mr. Gaddis, Ms. Geiger, Ms. Harris, Ms. Kerr, Dr. Lewis, Mr. Meyers, Mr. Oster, Dr. Trennepohl, Dr. Winters, and Chairman Peacher.

Open Session reconvened at 11:55 a.m.

ITEM 13 – ACTION ON ITEMS DISCUSSED IN EXECUTIVE SESSION: A motion was made by Dr. Trennepohl with a second made by Ms. Kerr to offer the position of Executive Director of OTRS to the candidate discussed in Executive Session at a salary of \$143,714.00. The motion carried by a unanimous voice vote. Trustees responding were as follows: Mr. Dickson, Mr. Florence, Mr. Gaddis, Ms. Geiger, Ms. Harris, Ms. Kerr, Dr. Lewis, Mr. Meyers, Mr. Oster, Dr. Trennepohl, Dr. Winters, and Chairman Peacher.

A lunch break was taken from 11:58 a.m. to 12:28 p.m.

ITEM 10 – DEVELOPMENT OF OTRS STRATEGIC PLAN: Interim Executive Director, Tom Spencer, told the Board that there were two versions of the OTRS Strategic Plan in the Board packet. He said he had included the red-lined version so the Board could see the original plan and the items he had changed. Mr. Spencer reviewed both versions and told the Board the final version would be available at the September Board meeting. After some discussion, no action was necessary.

ITEM 11 – GASB 68 IMPLEMENTATION: Interim Executive Director, Tom Spencer, gave a brief presentation on the implementation of GASB 68 which was summarized in a memo in the board materials. The memo explained the opinion of the staff and the Board’s external auditor on a method to allocate “net pension debt” to OTRS participating employers. The staff and auditor are of the opinion that OTRS has to use a single methodology to allocate the debt. After some discussion, no action was necessary.

ITEM 14 - DISCUSSION AND POSSIBLE ACTION TO EXTEND STATE PERSONNEL INTERCHANGE PROGRAM CONTRACT FOR SERVICES OF INTERIM EXECUTIVE DIRECTOR:

Mr. Tom Spencer said the OPERS Board had met and agreed to extend the State Personnel Interchange Program Contract for Services of Interim Executive Director for OTRS. The terms of the extension were for one month (the month of September 2014) with 40% of Mr. Spencer's time spent at OTRS and 60% of his time spent at OPERS. A motion was made by Dr. Trennepohl with a second made by Dr. Winters to amend the terms of the Interchange Program Contract for the month of September for the services of the Interim Executive Director. The motion carried by a unanimous voice vote. Trustees responding were as follows: Mr. Dickson, Mr. Florence, Mr. Gaddis, Ms. Geiger, Ms. Harris, Ms. Kerr, Dr. Lewis, Mr. Meyers, Mr. Oster, Dr. Trennepohl, Dr. Winters, and Chairman Peacher.

ITEM 13 - DISCUSSION AND POSSIBLE ACTION ON AGENCY REPORTS:

Dixie Moody, Director of Client Services, gave a brief presentation to the Board. Mr. Peacher asked for a benchmark on the number of abandoned calls so it would be easier to gauge where OTRS stood in terms of other agencies. Ms. Moody said she would get that information. After some discussion, a motion was made by Mr. Dickson with a second made by Mr. Oster to approve the monthly retirement report. The motion carried by a unanimous voice vote. Trustees responding were as follows: Mr. Dickson, Mr. Florence, Mr. Gaddis, Ms. Geiger, Ms. Harris, Ms. Kerr, Dr. Lewis, Mr. Meyers, Mr. Oster, Dr. Trennepohl, Dr. Winters, and Chairman Peacher.

Melissa Kempkes, Investment Analyst, gave a brief presentation regarding the trade cost analysis. After some discussion, no action was necessary.

Kim Bold, Director of Human Resources, gave a brief presentation on the HR department. No action was necessary.

Riley Shaull, Comptroller, presented the Finance Report to the Board. After a brief discussion, no action was necessary.

Julie Ezell, General Counsel to the Board, gave a brief report regarding the administrative hearing findings status. After some discussion, no action was necessary.

Tom Spencer, Interim Executive Director, presented his report to the Board. After a brief discussion, no action was necessary.

ITEM 16 - QUESTIONS AND COMMENTS FROM TRUSTEES:

Chairman Peacher announced that Tom Spencer had accepted the offer as the new OTRS Executive Director. The rest of the Board congratulated Mr. Spencer.

ITEM 17 - NEW BUSINESS:

There was no new business from the Board.

ITEM 18 – ADJOURNMENT:

There being no further business, a motion was made by Ms. Geiger with a second made by Mr. Oster to adjourn the meeting. The motion carried by a unanimous voice vote. Trustees responding were as follows: Mr. Dickson, Mr. Florence, Mr. Gaddis, Ms. Geiger, Ms. Harris, Ms. Kerr, Dr. Lewis, Mr. Meyers, Mr. Oster, Dr. Trennepohl, Dr. Winters, and Chairman Peacher. The meeting was adjourned at 1:15 p.m.

BOARD OF TRUSTEES, TEACHERS' RETIREMENT SYSTEM OF OKLAHOMA

BY: _____
Bill Peacher, Chairman

ATTEST:

BY: _____
Beth Kerr, Secretary

Certified correct minutes, subject to approval of the Board of Trustees of the Teachers' Retirement System of Oklahoma, will be available at its next regularly scheduled meeting on September 24, 2014.

BY: _____
Susan Yingling, Executive Assistant to the Executive Director

Manager Profile - AEW Capital Management, L.P.



Asset Class:	Core Real Estate
Status:	In Compliance
Portfolio Size:	\$211,466,008
Inception Date:	5/1/2011
Actual Allocation:	1.5%
Annual Management Fee:	0.83%
Location:	Boston, Massachusetts
Structure:	Wholly-owned by Natixis Global Asset Management
Portfolio Management Team:	Jon Martin

Notes:

Members of AEW Research analyze economic data available to develop a comprehensive picture of the urban economy and its real estate markets. To complement this top-down analysis, group members engage in active dialogue with AEW management professionals to gain a bottom-up perspective on market trends. The primary results of these efforts are semi-annual analyses that forecast market supply, demand and returns for each of the major property types in each of the metropolitan areas in the United States.

Represented by:	Jon Martin Jay Struzziery
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Founded: 1981

Return Profile	Since Inception	Last 10 Years	Last 5 Years	Last 3 Years	Last Year	Last Quarter
AEW*	-	-	-	11.7	11.8	2.3
NCREIF - OEDCE*	-	-	-	12.5	12.7	2.9

Risk Characteristics	Number of Holdings	Yield
AEW	45	5.3%

* Data as of 6/30/14. Performance displayed gross of fees.

Manager Profile - Heitman LLC.



Asset Class:	Core Real Estate
Status:	In Compliance
Portfolio Size:	\$209,148,481
Inception Date:	5/1/2011
Actual Allocation:	1.5%
Annual Management Fee:	0.82%
Location:	Chicago, Illinois
Structure:	50% employee-owned, 50% Old Mutual Owned
Portfolio Management Team:	Blaise Keane

Notes:

The Fund seeks to deliver its investors a combination of current income return and moderate appreciation (approximately two-third income and one-third capital appreciation). In acquiring assets for the fund, Heitman adheres to the following principles: buy in major markets and build a portfolio that is diversified by property type, economic exposure and geography. Buy assets with strong attributes such as proximity to amenities, complementary land uses and transportation networks that are well constructed to appeal to tenants over long periods of time.

Represented by:	Blaise Keane Shauna Dills
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Founded: 1966

Return Profile	Since Inception	Last 10 Years	Last 5 Years	Last 3 Years	Last Year	Last Quarter
Heitman	-	-	-	13.0	13.5	3.3
NCREIF - OEDCE*	-	-	-	12.5	12.7	2.9

Risk Characteristics	Number of Holdings	Yield
Heitman	70	5.0%

* Data as of 6/30/14. Performance displayed gross of fees.

Monthly Asset Allocation Review

Asset Class	Total Market Value	Current Percentage	New Target Percentage	Difference	Notes
All Cap/Large Cap	3,012,469,826	21.3%	17.0%	4.3%	Excess allocation bound for Private Equity and Real Estate
Mid Cap	2,066,784,574	14.6%	13.0%	1.6%	
Small Cap	1,442,624,830	10.2%	10.0%	0.2%	
Total Domestic Equity	6,521,879,229	46.1%	40.0%	6.1%	
Large Cap International Equity	1,468,377,187	10.4%	11.5%	-1.1%	
Small Cap International Equity	845,321,180	6.0%	6.0%	0.0%	
Total International Equity	2,313,698,368	16.3%	17.5%	-1.2%	
Core Fixed Income	2,146,366,977	15.2%	17.5%	-2.3%	
High Yield Bonds	786,776,589	5.6%	6.0%	-0.4%	Two searches underway
MLPs	1,223,623,826	8.6%	7.0%	1.6%	
Private Equity	413,420,876	2.9%	5.0%	-2.1%	
Real Estate	607,459,693	4.3%	7.0%	-2.7%	
Opportunistic Assets	141,151,734	1.0%	0.0%	1.0%	
Total Non-Core Assets	3,172,432,718	22.4%	25.0%	-2.6%	
Cash	1,321,729	0.0%	0.0%	0.0%	
Composite	14,155,763,803	100.0%	100.0%	0.0%	

Total Fund + Class Composite Summary

As of August 31, 2014

	Market Value	Inception Date	Time Since Inception (Years)	Since Inception	10 Years	5 Years	3 Years	1 Year	Fiscal YTD	Last Quarter	Last Month
Total Fund (Gross of Fees)	14,155,763,803	12/1/1991	22.8	9.9	9.3	14.3	16.3	20.5	0.9	3.2	3.1
Total Fund (Net of Fees)				9.5	8.9	13.9	15.9	20.1	0.5	3.1	3.1
<i>Allocation Index</i>				9.6	8.1	12.6	13.9	17.6	1.1	3.3	2.9
<i>Actuarial Assumption</i>				8.0	8.0	8.0	8.0	8.0	6.6	1.9	0.6
Total Domestic Equity	6,521,879,229 S&P 500 46.1%	4/1/1990	24.4	11.1	9.7	17.8	21.3	23.9	0.7	3.7	4.1
				9.8	8.4	16.9	20.6	25.2	2.6	4.7	4.0
Total All Cap Equity	948,314,025 Russell 3000 6.7%	9/1/2006	8.0	7.9	-	16.7	19.1	22.1	1.9	4.4	3.9
				8.1	-	17.2	20.7	24.7	2.1	4.7	4.2
Total Large Cap Active Equity	1,137,443,673 S&P 500 8.0%	1/1/1995	19.7	10.7	8.5	17.6	22.8	24.6	2.0	3.4	3.8
				9.8	8.4	16.9	20.6	25.2	2.6	4.7	4.0
Total Mid Cap Equity	2,066,784,574 Russell Mid Cap 14.6%	11/1/1998	15.8	10.8	12.1	19.9	23.1	25.3	0.7	3.8	4.4
				10.1	11.1	19.3	21.0	25.3	1.7	5.1	4.8
Total Small Cap Equity	1,442,624,830 Russell 2000 10.2%	2/1/1998	16.6	9.7	10.2	16.7	19.4	21.9	-2.1	2.8	4.2
				7.6	9.4	17.0	19.0	17.7	-1.4	3.9	5.0
Total International Equity	2,313,698,368 MSCI ACWI ex-US 16.3%	2/1/1998	16.6	9.2	7.9	9.2	12.2	14.3	-1.7	-0.7	0.8
				-	7.9	8.2	9.3	17.8	0.0	1.2	0.6
Core Fixed Income (ex- High Yield)	2,146,366,977 Barclays Aggregate 15.2%	4/1/1990	24.4	7.4	6.7	7.5	6.3	10.1	1.6	2.0	1.8
				-	4.7	4.5	2.9	5.7	0.9	0.9	1.1
Master Limited Partnerships	1,223,623,826 Alerian MLP Index 8.6%	2/28/2011	3.5	25.1	-	-	31.0	47.2	2.1	11.5	7.9
				17.7	-	-	21.9	30.8	4.4	10.5	8.2
High Yield Bonds	786,776,589 ML High Yield II 5.6%	2/1/2009	5.6	15.5	-	12.2	10.8	11.9	0.2	1.3	1.5
				-	-	12.2	10.4	10.6	0.2	1.0	1.5
Core Real Estate	607,459,693 NCREIF 4.3%	4/1/2011	3.4	-	-	-	-	-	-	-	-
				-	-	-	-	-	-	-	-
Cash	1,321,729 91 Day T-bill 0.0%	4/1/1990	24.4	-	-	-	-	-	-	-	-
				-	1.6	0.1	0.1	0.0	0.0	0.0	0.0



Equity Portfolios Summary

As of August 31, 2014



	Market Value	Inception Date	Time Since Inception (Years)	Since Inception	10 Years	5 Years	3 Years	1 Year	Fiscal YTD	Last Quarter	Last Month	
All Cap / Large Cap Domestic												
Hotchkis & Wiley Large Cap	597,695,398	4/1/1990	24.4	11.3	7.9	18.2	24.9	25.4	1.6	3.4	4.0	
Russell 1000 Value	4.2%			10.4	8.2	16.6	21.6	24.4	1.9	4.6	3.7	
Sawgrass	539,748,275	7/1/2006	8.2	9.1	-	17.6	20.9	23.8	2.5	3.4	3.5	
Russell 1000 Growth	3.8%			9.5	-	17.8	19.9	26.3	3.0	5.0	4.6	
ARI All Cap	467,663,526	9/1/2006	8.0	6.9	-	16.3	17.8	20.0	0.2	3.3	3.3	
Russell 3000	3.3%			8.1	-	17.2	20.7	24.7	2.1	4.7	4.2	
EPOCH All Cap	480,650,499	9/1/2006	8.0	8.7	-	17.1	20.3	24.2	3.7	5.6	4.4	
Russell 3000	3.4%			8.1	-	17.2	20.7	24.7	2.1	4.7	4.2	
Passive Domestic Equity												
NT Cap Weighted Passive	459,962,305	4/1/2012	2.4	18.6	-	-	-	25.0	2.6	4.7	4.0	
S&P 500 Cap Weighted	3.2%			18.2	8.4	16.9	20.6	25.3	2.6	4.7	4.0	
SSGA Eq Weighted Passive	466,749,823	4/1/2012	2.4	21.3	-	-	-	26.2	1.9	4.8	4.2	
S&P 500 Equal Weighted	3.3%			-	10.8	19.4	22.0	26.5	1.9	4.8	4.3	
Mid Cap Domestic Equity												
Frontier Capital	523,516,945	6/1/2002	12.3	10.8	12.9	18.1	19.9	23.9	0.1	4.1	4.3	
Russell Mid Cap Growth	3.7%			9.9	11.0	19.1	19.6	23.7	2.2	5.4	5.4	
Wellington Management	464,834,530	9/1/1998	16.0	10.8	11.0	17.0	17.8	22.9	-0.8	1.9	3.7	
Russell Mid Cap Growth	3.3%			9.3	11.0	19.1	19.6	23.7	2.2	5.4	5.4	
AJO Partners	553,875,818	8/1/1998	16.1	11.7	11.9	21.2	23.7	30.6	3.6	6.3	6.0	
Russell MidCap	3.9%			9.7	11.1	19.3	21.0	25.3	1.7	5.1	4.8	
Hotchkis & Wiley Mid Cap	524,557,281	8/1/2002	12.1	15.0	12.3	23.0	30.7	23.6	-0.4	2.6	3.6	
Russell MidCap Value	3.7%			12.2	10.9	19.4	22.3	27.2	1.2	4.7	4.2	
Small Cap Domestic Equity												
Shapiro Capital Management	690,867,587	2/1/1998	16.6	11.2	13.3	20.8	22.4	30.5	-2.7	2.2	4.9	
Russell 2000	4.9%			7.6	9.4	17.0	19.0	17.7	-1.4	3.9	5.0	
Geneva Capital	184,011,551	6/1/2013	1.2	11.5	-	-	-	8.6	-1.6	3.4	3.3	
Russell 2000 Growth	1.3%			18.0	-	-	-	17.3	-0.1	5.3	5.6	
Wasatch Advisors	182,178,511	6/1/2013	1.2	9.5	-	-	-	11.3	-1.3	2.3	3.0	
Russell 2000 Growth	1.3%			18.0	-	-	-	17.3	-0.1	5.3	5.6	
Cove Street Capital	108,727,063	6/1/2013	1.2	14.6	-	-	-	18.2	-1.5	5.5	3.9	
Russell 2000 Value	0.8%			15.4	-	-	-	18.1	-2.0	2.4	4.4	
Frontier Capital	162,186,652	6/1/2013	1.2	15.6	-	-	-	22.8	-2.4	2.6	4.5	
Russell 2000 Value	1.1%			15.4	-	-	-	18.1	-2.0	2.4	4.4	
Neumeier Poma	114,653,466	6/1/2013	1.2	18.8	-	-	-	18.1	-1.1	3.2	3.6	
Russell 2000 Value	0.8%			15.4	-	-	-	18.1	-2.0	2.4	4.4	
International Large Cap Equity												
Causeway Capital	551,908,703	5/1/2003	11.3	10.9	8.2	10.8	13.1	16.4	-1.0	-0.9	1.1	
MSCI ACWI Ex US	3.9%			9.8	7.9	8.2	9.3	17.8	0.0	1.2	0.6	
Northern Trust Passive	437,984,825	9/1/2013	1.0	9.3	-	-	-	9.3	-2.1	-1.2	-0.2	
MSCI EAFE	3.1%			16.4	7.0	8.2	11.4	16.4	-2.1	-1.2	-0.2	
Thornburg	478,481,166	1/1/2006	8.7	6.7	-	8.1	7.6	8.2	-1.3	-0.4	1.0	
MSCI ACWI Ex US	3.4%			5.5	7.9	8.2	9.3	17.8	0.0	1.2	0.6	
International Small Cap Equity												
ARI Small Cap International	221,941,278	12/1/2011	2.8	19.7	-	-	-	22.9	-1.5	1.7	1.0	
MSCI EAFE Small Cap	1.6%			18.4	9.0	13.0	9.4	18.8	-2.4	0.5	-2.4	
Epoch Small Cap International	209,217,443	12/1/2011	2.8	16.6	-	-	-	15.9	-3.7	-3.2	0.5	
MSCI EAFE Small Cap	1.5%			18.4	9.0	13.0	9.4	18.8	-2.4	0.5	-2.4	
Wasatch Small Cap International	201,409,954	12/1/2011	2.8	21.8	-	-	-	10.5	0.1	0.6	1.6	
MSCI EAFE Small Cap	1.4%			18.4	9.0	13.0	9.4	18.8	-2.4	0.5	-2.4	
Wellington Small Cap International	212,752,506	12/1/2011	2.8	22.2	-	-	-	17.7	-3.8	-1.6	-1.0	
MSCI EAFE Small Cap	1.5%			18.4	9.0	13.0	9.4	18.8	-2.4	0.5	-2.4	

Fixed Income Portfolios Summary

As of August 31, 2014

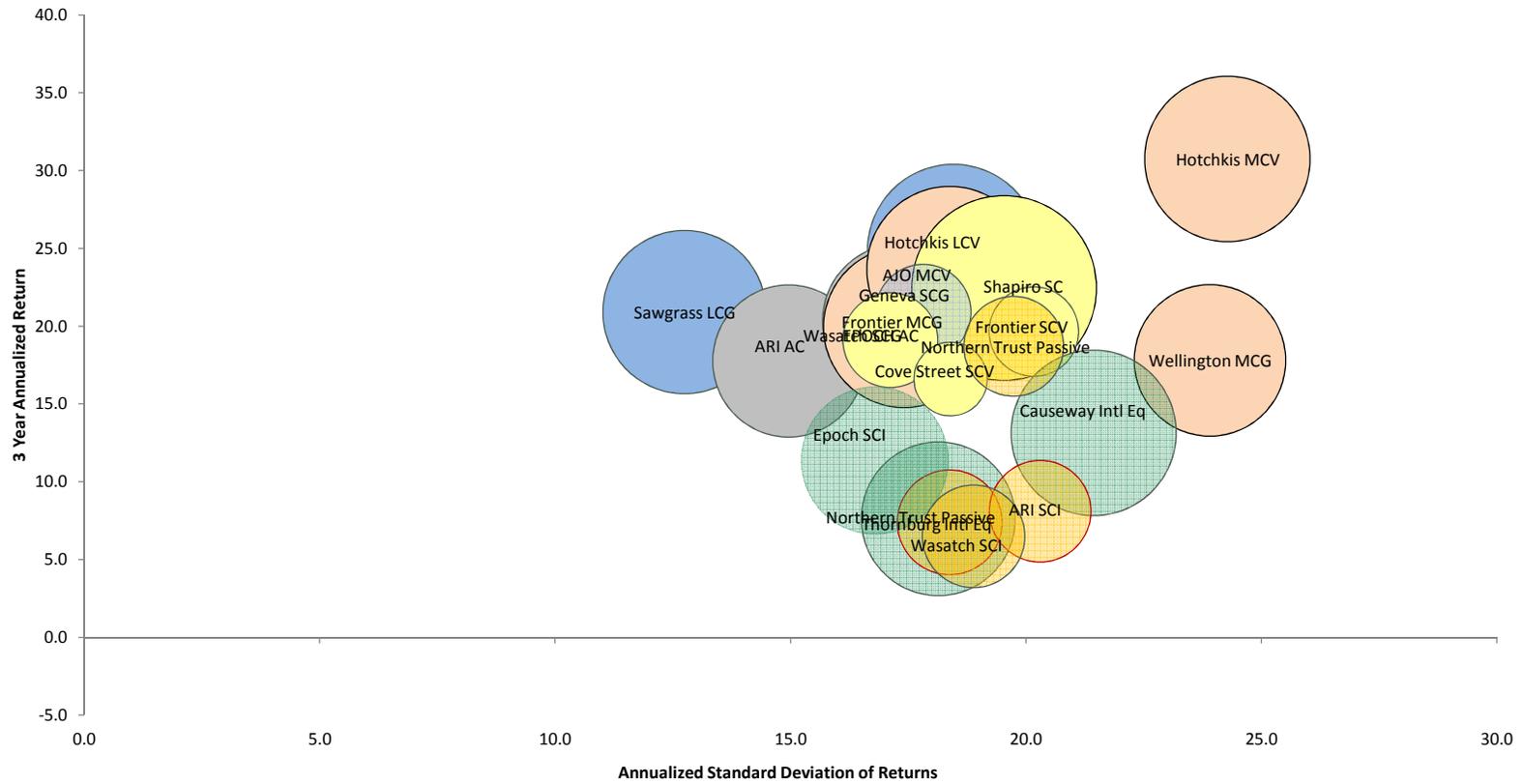
	Market Value	Inception Date	Time Since Inception (Years)	Since Inception	10 Years	5 Years	3 Years	1 Year	Fiscal YTD	Last Quarter	Last Month	
Core Fixed Income												
Loomis Sayles	622,176,337	8/1/1999	15.1	7.3	7.8	8.7	7.1	11.3	1.0	1.6	1.4	
<i>Barclays Aggregate</i>	4.4%			5.7	4.7	4.5	2.9	5.7	0.9	0.9	1.1	
Lord Abbett	609,097,872	11/1/2004	9.8	6.2	-	6.7	5.3	7.8	0.9	1.2	1.0	
<i>Barclays Aggregate</i>	4.3%			4.7	-	4.5	2.9	5.7	0.9	0.9	1.1	
Mackay Shields	613,485,077	11/1/2004	9.8	6.5	-	7.5	6.4	7.4	0.8	1.4	1.3	
<i>Barclays Aggregate</i>	4.3%			4.7	-	4.5	2.9	5.7	0.9	0.9	1.1	
Active Duration Fixed Income												
Hoisington	301,607,690	11/1/2004	9.8	8.4	-	9.1	7.7	18.3	6.1	5.9	5.2	
<i>Barclays Aggregate</i>	2.1%			4.7	-	4.5	2.9	5.7	0.9	0.9	1.1	
High Yield Fixed Income												
Loomis Sayles High Yield	262,565,199	2/1/2009	5.6	15.6	-	12.0	10.2	13.3	0.2	1.4	1.7	
<i>Merrill Lynch High Yield II</i>	1.9%			16.7	-	12.2	10.4	10.6	0.2	1.0	1.5	
Lord Abbett High Yield	263,448,653	2/1/2009	5.6	16.5	-	13.4	12.2	12.8	0.2	1.6	1.4	
<i>Merrill Lynch High Yield II</i>	1.9%			-	-	-	10.4	10.6	0.2	1.0	1.5	
MacKay Shields High Yield	260,762,737	2/1/2009	5.6	14.4	-	11.2	10.0	9.8	0.1	1.0	1.2	
<i>Merrill Lynch High Yield II</i>	1.8%			-	-	-	10.4	10.6	0.2	1.0	1.5	

Non-Traditional Portfolios Summary

As of August 31, 2014

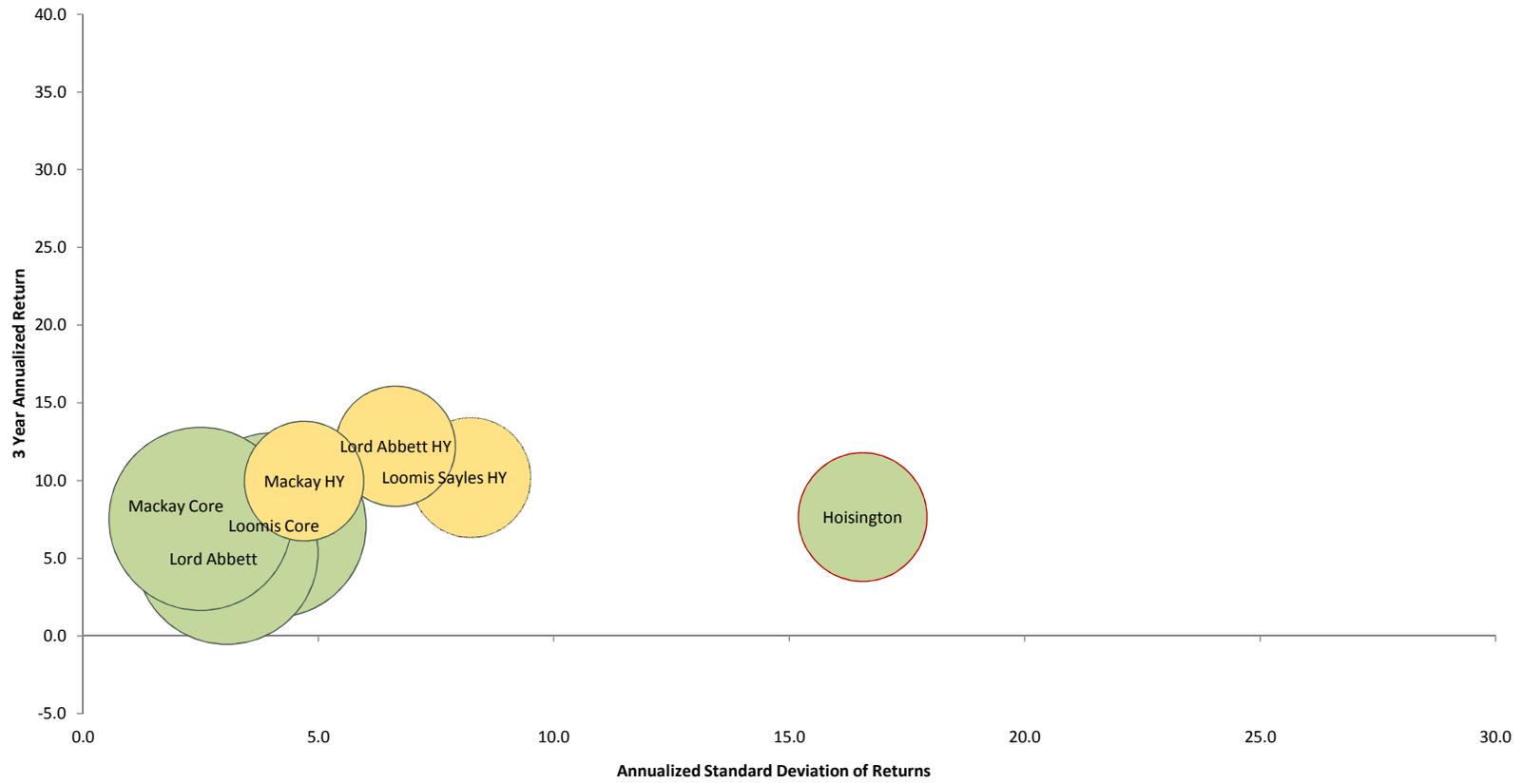
	Market Value	Inception Date	Time Since Inception (Years)	Since Inception	10 Years	5 Years	3 Years	1 Year	Fiscal YTD	Last Quarter	Last Month
Master Limited Partnerships											
Chickasaw Capital MLP	435,706,479	2/28/2011	3.5	33.0	-	-	40.2	59.7	1.5	10.9	8.2
<i>Alerian MLP Index</i>	3.1%			15.5	-	-	18.3	17.8	-3.5	5.6	-3.5
Cushing MLP Management	427,115,261	2/28/2011	3.5	26.4	-	-	32.9	52.2	2.7	12.1	8.4
<i>Alerian MLP Index</i>	3.0%			15.5	-	-	18.3	17.8	-3.5	5.6	-3.5
FAMCO MLP	360,802,087	2/28/2011	3.5	19.0	-	-	24.0	34.4	1.9	11.3	7.0
<i>Alerian MLP Index</i>	2.5%			15.5	-	-	18.3	17.8	-3.5	5.6	-3.5
Private Equity											
Legacy Private Equity Portfolio	69,183,772	10/1/2008	5.9	-	-	-	-	-	-	-	-
Franklin Park Private Equity	344,237,104	4/1/2010	4.4	-	-	-	-	-	-	-	-
	2.9%			-	-	-	-	-	-	-	-
Real Estate											
AEW Real Estate	211,466,008	5/1/2011	3.3	-	-	-	-	-	-	-	-
<i>NCREIF - OEDCE</i>	1.5%			-	-	-	-	-	-	-	-
Heitman Real Estate	209,148,481	5/1/2011	3.3	-	-	-	-	-	-	-	-
<i>NCREIF - OEDCE</i>	1.5%			-	-	-	-	-	-	-	-
L&B Real Estate	186,245,204	4/1/2011	3.4	-	-	-	-	-	-	-	-
<i>NCREIF - OEDCE</i>	1.3%			-	-	-	-	-	-	-	-
L&B Golden Driller	600,000	7/1/2014	0.2	-	-	-	-	-	-	-	-
<i>NCREIF - OEDCE</i>	0.0%			-	-	-	-	-	-	-	-
Opportunistic Fixed Income											
PIMCO BRAVO	102,989,366	3/31/2011	3.4	-	-	-	-	-	-	-	-
<i>Barclays Aggregate</i>	0.7%			-	-	-	-	-	-	-	-
PIMCO BRAVO II	38,162,369	3/31/2013	1.4	-	-	-	-	-	-	-	-
<i>Barclays Aggregate</i>	0.3%			-	-	-	-	-	-	-	-

Three Year Risk/Return Review - Equity Portfolios



¹Actual OTRS results used when available, composite when necessary.

Three Year Risk/Return Review - Fixed Income Portfolios



¹Actual OTRS results used when available, composite when necessary.

September Manager Status Report

Manager	Mandate	Strategy	AUM	% of Portfolio	Current Status	Reason for Status Change	Status Change Effective Date	Date of Last Review	Date of Next Review	Expectations
Thornburg Investment Management	International Equity	All Cap	478,481,117	3.39%	Terminated	Performance Issues	August 2014			
MacKay Shields LLC	Fixed Income	High Yield	260,712,113	1.85%	On Alert	Personnel Change	June 2014	June 2014	December 2014	Maintain continuity of management practices and results
Geneva Capital Management, LTD	Domestic Equity	Small Cap	184,011,541	1.30%	On Alert	Acquisition	July 2014	July 2014	December 2014	Maintain continuity of management practices and results
Lord Abbett & Co. LLC	Fixed Income	Core Plus	609,041,805	4.32%	On Alert	Personnel Change	July 2014	July 2014	December 2014	Maintain continuity of management practices and results

All other managers currently rated In Compliance

FY 2016 - 2020 Strategic Plan

For

Teachers Retirement System

as of:

August 30, 2014

Agency Number

715

Address

P.O. Box 53524
2500 North Lincoln Boulevard
Oklahoma City, OK 73152 - 3524

Agency Director

Tom Spencer, Interim

Board of Trustees

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Stewart E. Meyers, Jr.

Andrew Oster

Billie Stephenson

Dr. Gary L. Trennepohl

Dr. Greg Winters

Agency Management/Division/Program Directors

Title	Name
Interim Executive Director	Tom Spencer
General Counsel	Julie Ezell
Comptroller	Riley Shaul
Director of Client Services	Dixie L. Moody
Director of Human Resources	Kim Bold

Describe the strategic planning process followed by the agency.

Senior management staff directly participated in the planning process with a series of meetings from July 2014 through August 2014. The agency's strategic planning committee has reviewed and updated the original plan and subsequent plans to arrive at the FY 2016-2020 plan. Meetings were conducted with individual section leaders and senior management. Goals, performance measurements, and action plans were evaluated and modified to produce the current plan. Statistical information was developed to illustrate the growth of membership population (active and retired members) and services provided to various groups of the System's membership. The Board of Trustees reviewed a draft at the August meeting and adopted the final Plan at its September board meeting.

EXECUTIVE SUMMARY

Summary of environmental assessment.

A. Economy: We must be aware of the condition of the national and state economies, which have a direct impact on the Teachers' Retirement System. Return on investments and revenue collections are two of the main sources of income to the System. While there were downturns in the national and global markets five and six years ago, investment returns have rebounded nicely in recent years. With interest rates at historic lows, it will be difficult to achieve good returns in many fixed income investments over the near term. TRS has added alternative investments such as real estate, private equity and master limited partnership interests, to complement its equity holdings. The portfolio is well-diversified. The Board of Trustees monitors and adjusts the System's investment policies and strategies as needed to maximize returns while protecting the asset base. State revenues, member and local school district contributions have increased during the past several years and modest growth in these revenue sources is expected to continue for the next several years. Senate Bill 1376, enacted in 2002, provides that the agency receives 5% of state sales, use and income tax collections. Senate Bill 357, enacted in 2007, increased contributions from local school districts by 1.5% of employees' pay over a three-year period. These revenue increases are intended to reduce the Retirement System's unfunded liabilities.

B. Social/Demographic: Our aging membership parallels societal trends, which create additional requirements on pension plans. The "baby-boomers" are at retirement age and require more timely information on benefits than past generations of retirees. We are working to improve our delivery of benefits and information by better use of the Internet, as well as written and oral communications.

C. Government and Regulatory: In 2006, HB 1179XX included a significant change in the retirement benefit formula affecting 30,000 active members. The agency had to implement major changes to address this legislation. Further reform took place in recent years that delays the retirement age for new members. New pension legislation at both state and federal levels must be anticipated and accommodated to ensure member entitlements are accurate and timely. New accounting standards like GASB 67 & 68 are increasing staff time and time spent by our retained service providers on actuarial and auditing work. There may be efforts to consolidate the

administration of the state pension plans. There also may be those who favor closing the TRS defined benefit plan and moving to a defined contribution plan or cash balance plan.

D. Competition: While TRS is not in direct competition with private sector providers, members' expectations from their dealings with private financial institutions require TRS to improve delivery of financial services and benefit information. TRS provides a defined benefit plan to 146,036 members and an optional defined contribution plan to approximately 3,783 participants.

E. Technology: The TRS membership uses the Internet and smart phones more and more to conduct personal financial business. In response to technological advancements, TRS has enhanced its website to include the addition of an Employer Portal in 2013 that provides a more efficient method for remitting agencies reporting monthly contributions. A retirement benefit estimator was updated in FY-2006. The website will continue to be upgraded and used to increase member awareness of available benefits and services. Our document imaging system has enabled staff to improve response time to member inquiries. TRS is nearing completion on a custom-built pension administration system called "Alice." The basic system has active and retired client data including a fully integrated image viewing system. TRS recently retained an outside project manager to evaluate the project to date, and bring the basic development to a conclusion. The basic system is already in place with some fixes in process. The TRS and developer are currently working on data migration and data cleanup projects. ~~Two~~ ~~e~~Enhancements to Alice were authorized in the fall of 2013 ~~including an accounting piecee~~ ~~(general ledger)~~ and ~~include athe~~ client portal.

F. Market/Customers: During the past ten years, the number of active members has increased 6.2%, while the number of retirees has increased 38.3%. Annual benefit payments have increased from \$701 million to \$1.077 billion. Current members are more knowledgeable and desire a higher level of information for long-term financial planning.

G. Industry Trends and Best Practices: TRS participates in several national or regional organizations that promote innovative practices to improve delivery of retirement benefits. Benefit design, investment opportunities, technology, accounting and internal auditing are areas that have benefited from participation in national or state meetings of peer groups. The Board of Trustees has shown its commitment to best practices in several areas. It has adopted a strong Governance Policy as well as a Fraud Reporting Policy. It also implemented a fraud and abuse reporting system using an independent, external provider. In addition the Board continues its thorough internal audit program using an external firm specializing in auditing financial systems and other processes.

H. Factors of Production and Internal Environment: TRS operates at a relatively low level of administrative expense compared to other state-run pension plans. A global benchmarking firm has documented that TRS administrative cost per member and ratio of staff per member is well below national averages. Implementation of our strategic plan will enable us to continue to provide quality service at minimum cost per member. The reduction in cost will be balanced by a need to deliver quality services to client.

I. The Role of a Retirement Plan in Recruitment and Retention: A well-funded retirement plan for teachers and educators is necessary if the state is to attract and retain professionals who can

improve the education being received by our students. This is important if the stated educational goals are to be achieved. A better-funded System may also allow cost-of-living adjustments to improve the economic condition of our retired members and raise the average income of Oklahoma.

J. Staff Development: The TRS Strategic Plan also includes plans to educate and train our staff in the use of the most up-to-date technology. This will be necessary if the System is to improve services to our members while maintaining our relatively low number of staff providing these services. Other staff training and education will also improve the delivery of quality customer service.

K. The Financial Condition of TRS Affects the State's Fiscal Condition: The underfunded condition of the Teachers' Retirement System has affected the overall bond rating of the state, which can increase the cost of all state borrowing. As funding levels improve, financial resources used to pay down pension debt may be available for other state needs.

Assumptions: Conditions/issues that will exist in the short and long term future.

The following highlight conditions/issues that will exist during the period covered by this strategic plan:

The condition of the national economy may require further adjustments in investment strategy. The State economy and State tax policy may impact TRS funding levels. The agency relies on income from investments to finance benefit payments. The impact of past negative market conditions have re-enforced the necessity of a better-funded status of the Retirement System.

Past legislative actions have both increased and decreased the actuarial funded status of the Teachers' Retirement System. Passage of Senate Bills 1376 (2002) and 357 (2007) have benefited the System but benefit increases to participants have also increased liabilities. The State's budget and revenue needs might impact the System's ability to amortize existing liabilities over the current funding period of 17 years.

As more active teachers approach retirement age, the need for improved communications and retirement benefit projections will increase. During the last ten years the increase in the number of retired members has averaged 3.6% per year. The average increase in active members has been 0.95% per year for the last ten years. Active membership decreased 0.3% during FY-2012, increased 1.8% in FY-2013 and 0.2% for FY-2014. Questions concerning Social Security may also increase awareness and concerns for better retirement planning and communication.

Pension benefit design change is a national issue and will undoubtedly receive serious study in future legislative sessions. Compliance with state and federal laws, as well as changes in professional standards, may require modifications to existing programs and work processes.

Retired and active clients will expect TRS to keep up with the latest technology in their interaction with the System. Improvements to the TRS pension administration system including a full-featured client portal will enable us to continue to increase productivity and client services.

Summary of agency - wide action plans to address the needs.

The agency-wide action plans address how we can:

- Improve and Enhance Client Services including Better Communications
- Achieve Superior Risk-Adjusted Returns
- ~~-and~~ Secure Adequate Revenue to Improve the Funding Status of the Plan
- Develop an Efficient, Knowledgeable Professional Team
- Enhance IT Capabilities and Services

The System includes four five general goals, nine five performance measures, and twenty eight action plan items. A team of staff members has been assigned to see that each goal, corresponding performance measures and action items are accomplished within the established time lines.

Summary of financial needs to address issues.

The Teachers' Retirement System is a state-run trust that provides retirement benefits to education employees. The main sources of revenue are member contributions, employer contributions from local school districts, dedicated revenue from the state of Oklahoma and investment income. The System is seriously underfunded with total assets representing approximately 60% of future liabilities. Although investment returns have consistently been above the median for public pension plans, an influx of new monies would improve the chances that current members and retirees will receive what they have earned and been promised. Annual benefit payments to retired members now exceed \$1.077 billion. Cost-of-living adjustments for retirees are necessary on a regular basis to prevent purchasing power erosion, but these increases and other benefit improvements add to overall liabilities of the System. In 2011 the Legislature enacted HB 2132 which makes it significantly harder to pass COLA legislation. Future COLA legislation for all state pension plans must have sufficient funding to pay the cost. Since 2002, the state legislature has addressed the funding level of the System by increasing state revenues directed to the Retirement System and increasing the contribution rate paid by local school districts. It is imperative these increased revenue sources be maintained.

The Teachers' Retirement System is a non-appropriated agency. Administrative expenses are paid from investment income. Like other state agencies, an annual budget is submitted to the Office of Management and Enterprise Services. Implementation of most of the action plans can be accomplished without any significant increase in current budget levels.

Agency Mission

We collect, protect and grow assets to provide a secure retirement income for public education employees.

Agency Vision

The vision of OTRS is to:

Provide quality service to our clients in an efficient, economical manner,

Provide our clients on-demand and accurate access to their personal financial information,

Educate our clients about their retirement benefits, and

Inform our clients about the financial status of OTRS so they will be confident in our ability to provide their benefits.

Values and Behaviors

Customer Service:

We are dedicated to professional, accurate, timely and cost-effective delivery of services and benefits to clients and retirees.

Teamwork:

We value a cooperative work environment in which each employee is motivated to achieve the goals of the agency.

Reputation:

We take pride that TRS is known for the quality of its work as well as the services it provides to its clients, and we strive to continuously improve our work product.

Adequate Funding:

We recognize the importance of a properly funded pension plan and the role we play in the lives of our constituents.

Competency:

We believe that training and constructive supervision are keys to a professional staff.

Ethical Behavior:

We are open, responsive, and ethical in the conduct of business with clients, annuitants, government officials and the public.

TRS GOALS

SUMMARY OF GOALS

Our long-term goals are to improve the funded status of the pension plan by maximizing return on investment and securing adequate funding from the state. We will improve customer service by building and maintaining a professional staff and through the utilization of the Internet and other technology.

Goal #1: Improve and Enhance Client Services including Better Communications

Goal #2: Achieve Superior Risk-adjusted Returns ~~and Secure Adequate Funding~~

Goal # 3: Secure Adequate Revenue to Improve the Funded Status of the Plan

Goal #~~4~~3: Develop an Efficient, Knowledgeable Professional Team

Goal #~~5~~4: Enhance IT Capabilities and Services

AGENCY ACTION PLANS AND KEY PERFORMANCE MEASURES TO REACH TRS GOALS

GOAL #1: Improve and Enhance Client Services including Better Communications

Action Plan #1: Establish comprehensive and periodic customer satisfaction survey program.

KPM: Completion time for implementing the project.

<u>Actual</u>		<u>Budgeted</u>		<u>Estimated</u>	
FY-20014	0%	FY-2015	0%	FY-2016	50%
				FY-2017	75 100%
				FY-2018	100%

Introduction: TRS will create a program to survey our various business processes, including new retirements, walk-in visits, withdrawal of contributions, phone service, counseling, and others as identified.

- Identify high-volume business processes to survey (March 2015).
- Benchmark what other retirement systems across the country are surveying and their methodology (July 2015).
- Establish a timeline and communications plan for the rollout of each survey (November 2015).
- Calculate the number of completed responses to obtain statistically valid response data (March 2016).

- Review the business case for outsourcing vs. internal management in the development of various surveys and the compilation of results, considering the costs and benefits associated with paper, online or phone surveying (Dec. 2016).
- Initiate process of survey development (July 2017).

Implementation Team: *Leader:* Dixie Moody *Team Members:* Lisa Giles, Susan Yingling, Donna Spurrier.

Action Plan #2: Issuance of Annual Statements.

Description: Annual statement to members age 50+ or those with 20+ years of service to show estimated monthly benefits at retirement age. Most statements will be provided online to clients through the Client Portal.

Implementation Team: *Leader:* Lisa Giles *Team Members:* Dixie Moody, Debra Plog, Kaleb Jones and Susan Yingling

Action Plan #3: Create/distribute an annual financial report in non-technical language for TRS clients and stakeholders

Description: Develop and distribute a Popular Annual Financial Statement (“PAFR”) that will provide important information from the Consolidated Annual Financial Report (“CAFR”). The goal of the PAFR will be to provide important financial and funding information to TRS clients and school officials. Target date is January 2016.

Implementation Team: *Leader:* Lisa Giles *Team Members:* Riley Shaull, and Susan Yingling g

GOAL #2: Achieve Superior Returns ~~and Secure Adequate Funding~~

Action Plan #4: Maintain investment policies to maximize investment performance.

Description: The TRS Board of Trustees working with the investment consultant will continue to review current investment strategies and employ policies to achieve a 5-year annualized return on investments of at least the actuarial assumed return of 8%. Our goal is to remain in the top quartile when measured against investment returns of public pension plans of similar size.

<u>Persons Responsible</u>	<u>Date</u>
<u>Board of Trustees</u>	<u>Continual</u>
<u>Executive Director</u>	
<u>Chief Investment Officer</u>	
<u>TRS Investment Consultant</u>	

GOAL # 3: Secure Adequate Revenue to Improve the Funded Status of the Plan

Action Plan #5: Protect Funding Sources and Increase Funded Ratio

Description: TRS needs to continuously protect its funding sources during each session of the Legislature. The improvement in TRS’ funded ratio has come in large part ~~from~~ the increase in funding sources enacted by past legislatures. In an environment where the State’s revenue may

be declining, every source of revenue will be scrutinized. Only through continued communication with state leaders about the importance of staying on track with TRS funding progress. Below are goals for increased funded ratios.

Key Performance Measures (funded ratio)

Actual		Budgeted		Estimated	
FY-2014	57%	FY-2015	62%	FY-2016	64%
				FY-2017	66%
				FY-2018	68%
				FY-2019	70%
				FY-2020	72%

Implementation Team: *Leader:* Executive Director *Team Members:* Julie Ezell, General Counsel; Susan Yingling

~~**Action Plan #5: Maintain investment policies to maximize return on investments.**
Description: The TRS Board of Trustees working with the investment consultant will continue to review current investment strategies and employ policies to achieve a 5-year annualized return on investments of 9%. Our goal is to remain in the top quartile when measured against investment returns of public pension plans of similar size.~~

~~_____ Persons Responsible _____ Date
_____ Board of Trustees _____ Continual
_____ Executive Director _____
_____ Chief Investment Officer _____
_____ TRS Investment Consultant _____~~

GOAL #43: Develop an Efficient, Knowledgeable Professional Team

Action Plan #6: Staff development program

Description: Staff training program based on needs assessment, which will be reviewed annually. Due consideration will be given to private sector training. This will be measured by the percentage of employees completing the prescribed training program.

Key Performance Measures (% emp'ees trained)

Actual		Budgeted		Estimated	
FY-2014	75%	FY-2015	80%	FY-2016	85%
				FY-2017	90%
				FY-2018	95%
				FY-2019	100%

Implementation Team: *Leader:* Kim Bold *Team Members:* Dixie Moody, Riley Shaull, and Chief Investment Officer

GOAL #54: Enhance IT Capabilities and Services

Action Plan #7: Disaster Recovery Plan. Acquire or contract for a hot site or cold site. Develop capability to continue operations at an offsite location in the event of disaster.

KPM: Completion time for developing and implementing a disaster recovery plan.

<u>Actual</u>		<u>Budgeted</u>		<u>Estimated</u>	
FY-2014	0%	FY-2015	20%	FY-2016	60%
				FY-2017	80%
				FY-2018	90%
				FY-2019	100%

Action Plan:

Introduction: It is important to recognize that technology is just a single component of an overall disaster recovery plan. It is the business processes by which an organization operates that determines the overall strategy.

Action Items:

- Identify business processes (January 2015).
- Prioritize business processes, determine which processes, if lost, create a high, medium or low impact on the business (July 2015).
- Identify all inputs and outputs to business processes. Inputs include but are not limited to the following: all online screens, online data, imaged data, spreadsheet data, form input, agency phone/address/email information, client address information. Outputs include but are not limited to retiree payments, retiree notices, retiree and client newsletters, agency phone/address/email information, client address information (December 2015).
- Determine what infrastructure is necessary to support the business process. Create an inventory list of all items needed at the disaster site. Examples would be phone system, copiers, fax machines, local area servers and printers, PC workstations, PC printers, internet connectivity, Alice database, paper supplies, paper check supplies, special form supplies, documentation of business procedures (June 2016).
- Determine space requirements for all staff functions (August 2016).
- Write cold site and hot site requirements for items 4 and 5 above. Also include travel distance for staff, power, heat and air, lighting, handicap concerns, bathroom, and parking requirements, etc. (January 2017).
- Acquire hot site or cold site (September 2017).

Implementation Team: *Leader:* Donna Spurrier. *Team Members:* Dixie Moody, Lisa Giles, Riley Shaull, Julie Ezell, OMES staffer and Susan Yingling.

Action Plan #8: Produce information in the form of industry standard media files online to complement existing pre-retirement seminar videos and other information for clients and education payroll officers.

KPM: Percentage of project completion for full implementation.

<u>Actual</u>		<u>Budgeted</u>		<u>Estimated</u>	
FY-2014	0%	FY-2015	10%	FY-2016	100%

Action Plan:

- Research capability of providing online training videos (January 2015 – July 2015).
- Identify software application (January 2016).
- Modify content to suit the chosen medium (by July 2016).
- Produce and/or purchase products (by January 2017).
- Complete implementation of retirement training program and upload videos for client use. (July 2017).
- Staff edits procedure manual text for conversion to video script. (July 2011 through November 1, 2011).
- Create training files and test (November 2011 through March 2012).
- Provide training files on agency Intranet (April 2012).

Implementation Team: *Leader:* Lisa Giles *Team Members:* Dixie Moody, Susan Yingling, Frances Rogers.



**OKLAHOMA TEACHERS
RETIREMENT SYSTEM**

**Agency Totals
Budget Request Program
Fiscal 2016**

Object of Expenditure	Approved FY 2015 Budget	Requested FY 2016 Budget		Increase (Decrease) Amount	Increase (Decrease) Percentage
Personal Services					
Salary and Longevity Pay Expenses	2,431,291	2,542,267	(1)	110,976	4.6%
Taxes, Benefits, and Other Expenses	1,303,285	1,330,782	(1)	27,497	2.1%
Subtotal Personal Services	3,734,576	3,873,049		138,473	3.7%
Professional Services					
Investment Manager Expenses	56,092,245	55,000,000	(2)	(1,092,245)	-1.9%
Investment Consultant Expenses	702,000	750,000	(3)	48,000	6.8%
Investment Custodian Expenses	92,000	92,000		-	0.0%
Pension Commission Expenses	70,000	70,000		-	0.0%
Subtotal Investment Expenses	56,956,245	55,912,000		(1,044,245)	-1.8%
Legal Services - Special Projects	8,400	40,000	(4)	31,600	376.2%
Legal Services - Attorney General	7,500	7,500		-	0.0%
Administrative Hearings	5,000	5,000		-	0.0%
Auditing Services	210,000	250,000	(5)	40,000	19.0%
Actuarial Services	150,000	150,000		-	0.0%
Medical Hearings	15,420	15,420		-	0.0%
Management Consultant	-	-		-	0.0%
Benchmarking/Global Trading Consultant	25,000	25,000		-	0.0%
Miscellaneous Services	29,226	29,226		-	0.0%
Subtotal Professional Services	450,546	522,146		71,600	15.9%
Total Professional Services	57,406,791	56,434,146		(972,645)	-1.7%
Travel and Per Diem Expenses					
Non-Employee Travel Expenses	51,600	51,600		-	0.0%
Employee Training	21,215	21,215		-	0.0%
Employee Travel Expenses	82,872	82,872		-	0.0%
Subtotal Travel and Per Diem Expenses	155,687	155,687		-	0.0%
Administrative Expenses					
Postage	255,000	255,000		-	0.0%
Telecommunications Services	40,000	40,000		-	0.0%
Printing and Binding Contracts	90,000	90,000		-	0.0%
Informational Services	53,163	53,163		-	0.0%
Rent and Maintenance	252,000	252,000		-	0.0%
Office Supplies	36,120	36,120		-	0.0%
Equipment	8,335	8,335		-	0.0%
Buildings-Purch, Construction Repairs	-	-		-	
Miscellaneous Administrative Expenses	29,684	33,184	(6)	3,500	11.8%
Subtotal Administrative Expenses	764,302	767,802		3,500	0.5%
Data Processing Expenses					
Professional Services	982,007	982,007		-	0.0%
Rent and Maintenance	5,500	5,500		-	0.0%
Office Supplies	5,000	5,000		-	0.0%
Equipment	40,000	40,000		-	0.0%
Subtotal Data Processing Expenses	1,032,507	1,032,507		-	0.0%
Total Expenses	63,093,863	62,263,191		(830,672)	-1.3%
Total Investment Expenses Only	56,956,245	55,912,000		(1,044,245)	-1.8%
Total Data Processing Expenses Only	1,032,507	1,032,507		-	0.0%
Total except Investment & Data Processing Expenses	5,105,111	5,318,684		213,573	4.2%

EXPLANATORY NOTES TO BUDGET REQUEST

- (1) Possible salary adjustments for employees
- (2) Reduction of Investment Manager fees per market conditions
- (3) Rebidding Investment Consultant contract could end up with higher fees
- (4) Increase for Ice-Miller legal work for future legal opinions
- (5) Additional field audit work for GASB 67 & 68 audit
- (6) Membership dues in the National Association of State Retirement Administrators (NASRA)



August 18, 2014

State of Oklahoma (TRS)
Teacher's Retirement System of Oklahoma
Tom Spencer, Interim Executive Director
PO Box 53524
Oklahoma City, OK 73152

Dear Mr. Spencer,

Harper Academy Charter School would like to participate in the teacher retirement program starting this 2014/2015 school year. I have attached the requested information. If you need additional information please contact me.

Best Regards,

Melvin Perry, COO
Harper Academy Charter School
mperry@harpercharterschools.org

RECEIVED
AUG 26 2014
TEACHERS'
RETIREMENT SYSTEM



OKLAHOMA STATE
DEPARTMENT OF EDUCATION

July 23, 2014

55E016 OKC CHARTER: HARPER ACADEMY
10624 LEJEAN DR
MIDWEST CITY, OK 73130

Dear School Administrator :

The 2014-2015 accreditation status for your school district has been approved by the State Board of Education. Listed below is the accreditation status for the district and a report on the school sites within the district.

DISTRICT ACCREDITATION STATUS:
ACCREDITATION WITH NO DEFICIENCIES

2013-2014 DESIGNATION STATUS:
NO SITES WITH PRIORITY, FOCUS, TARGETED INTERVENTION DESIGNATION

State Board of Education regulations allow accreditation for one year only; therefore, continuing compliance with accreditation standards is imperative at all times.

If you have any questions, please contact your Regional Accreditation Officer. Thank you.

Sincerely,

A handwritten signature in cursive script that reads "Lynn Jones".

Lynn Jones
Executive Director
Accreditation & Standards

Enclosure

**Janet Barresi
State Superintendent of Public Instruction
Oklahoma State Department of Education**

Accreditation Status for 2013-2014

986 HARPER ACADEMY : Grades - 06 - 12

.Recommendation: Accreditation with no Deficiencies

WAIVED: Defibrillator

.....

Harper Academy, Inc. ~ Charter School

Minutes of Board of Directors Special Meeting June 28, 2014

Welcome & Call to order:

Members Present: Harvey Bethany, Sherrina Perry, Sherry Hershel

Members Absent: none at this time

Minutes of May 28, 2014 regular Meeting: Harvey Bethany made the motion and Sherrina Perry seconded it that the minutes be approved as presented. All members, aye

OPERATIONS REPORT/PROGRAM UPDATE: Sherry Herschel made the motion and Harvey Bethany seconded it that the operations report/program update be approved as presented. All members, aye

FINANCIAL REPORT: Sherry Herschel made the motion and Sherrina Perry seconded it that financial report be approved as presented. All members, aye

CONSENT AGENDA FOR 2014-2015 SCHOOL YEAR items 1-12:

1. Internet Content Filter - SonicWALL TZ 105
2. COO as the Authorizing Agent for Harper Academy and Representative for the School for all State and Federal Programs for the school year.
3. COO as the Representative for Hiring of All Staff Members and Negotiation of Salaries
4. Health Choice for Staff Health Insurance
5. Employee Retirement - Oklahoma Teachers Retirement System (TRS), Life, and Salary Insurance
6. Blanket Purchase Orders for List of Vendors for 2014-2015
7. Contract for 2013-2014 Audit – WILSON, DOTSON & ASSOCIATES, P.L.L.C. CPA
8. Board of Directors' President and Secretary's Signature Facsimile for all documents, including requisitions, purchase orders, checks and payroll
9. Contract for Student Accounting System & Consulting Services – Municipal Accounting Systems
10. Contract for Finance & Accounting Consulting Services (OCAS) – Jack Jenkins, CPA
11. Contract for E-rate Consulting - CRW Consulting Services

CONSENT AGENDA FOR 2014-2015 SCHOOL YEAR items 1-12: Harvey Bethany made the motion and Sherry Herschel seconded it that the consent agenda items 1-12 be approved as presented. All members, aye

NEW BUSINESS: none at this time

ADJOURN: Sherrina Perry made the motion and Harvey Bethany seconded it that meeting be adjourn. All members, aye

From: Steven Huff [<mailto:stevhuff@cox.net>]
Sent: Monday, July 28, 2014 12:50 PM
To: Debra Plog
Cc: Joe Pierce; Becky Lidia
Subject: John Rex Charter Elementary School (55-G007)

Hi Debra,

Attached are the following requested items:

1. Board Minutes approving the participation in TRS;
2. Accreditation Letter with County/District Code (55-G007);
3. School Contact information: Dr. Joe Pierce, Head of School;
4. School Contact Phone: 405-606-6862;
5. School Contact email: jpierce@johnrexschool.org.

We look forward to participating with TRS. Thanks and please let us know if you need anything else.

Steven Huff
e: stevhuff@cox.net
m: 405.833.0734
f: 405.603.2277



Minutes from Board of Directors Meeting January 16, 2014

MINUTES

Board Members Present: Brian Corpening, Phil Horning, Kirk Humphreys, Stan Hupfeld, Anna King, Marc Maun, Cristina McQuiston, Xavier Neira, Teresa Rose, Ray Thompson, Gail Vines

Staff Present: Joe Pierce

By Invitation: Tyler Tokarczyk, Bill Hickman, Scott Parker, Karen Wicker, Jacqueline Sit, Keiko Vuong

1) Kirk Humphreys called the meeting to order at 12:00 noon. Quorum of voting board members is present.

2) Xavier Neira moves to approve the consent agenda which includes the minutes from the November 21st, 2013, BOD meeting and the monthly financial update. Brian seconded. Unanimous vote for approval. **Consent agenda is approved.**

3) Committee Reports

E. Scott Parker (TAP) gave Facilities report on behalf of Bond Payne.

The project is 46% complete. Currently there are a total of 49 weather days claimed but 15 are yet to be approved. MAPS and contractor need to work out weather days because snow and ice not included in MAPS specifications. July 15th, 2014 completion date looks in jeopardy but is still the contract completion date. Classroom building roof is dried in and stone and brick veneer underway. Interior Gypsum board is being stalled on first floor. HVAC above 50% completion on all floors. Permanent power supplied by OGE is 4 weeks out.

A. Stanley Hupfeld gave Community Outreach report

It was noted Joe has done a great job with his early community appearances in front of groups of people. Presented to staff at Latino Community Development Agency. Joe gave a great presentation on the fly and answered hard questions. Joe and Stan introduced Karen Wicker and Jacqueline Sit from Candor PR. Karen thanked the board for the opportunity. Notified the board of the **Community Forum on Tuesday January 21st** at the downtown library and encouraged all board members to come and help spread the word. Postcards went out this week to 10,000 homes within 5 miles of the school advertising the community forum. February 1st will be the first day of the enrollment period. Media attention is ramping up. They are getting out in front of any negative perceptions of the school including the boundary issue, safety concerns, and the sex offender check in station.

B. Teresa Rose gave Education and Technology report

The committee is aligning policies to transition from a working board to a governing board as the school opens.

C. Xavier Neira gave Endowment and Development report

JRCES applied for a grant from Shelter Oklahoma Schools Fund. Believe we should receive \$200,000 but will need to raise the remainder. Estimates in the documents included in the board packet call for 5 sq. ft. and an additional 15%. The board expresses desire to go back to previous plans calling for 3 sq. ft. per person to mitigate costs. TAP will draw up new plans those specs.

D. Phil Horning gave Finance Committee report

Joe, Phil, Marc Maun, Bill Spaeth and Steve Huff met to discuss the budget and finances. The group felt the OKCPS teacher's compensation scale was stretched over too many years. The



desire of the committee is for our teachers to progress from entry level pay to top level in five years instead of twenty. It was also noted Santa Fe South pays OKCPS level plus 5%.

F. Cristina McQuiston gave Child Nutrition report
Joe, Cristina, Phil Horning, Gail Vines, Steve Huff, and Laura Massenat met to discuss child nutrition program options. JRCES will provide free and reduced lunch to eligible students. The committee chose not to go with OKCPS for year one. A modified RFP will occur with at least three vendors in February with the hope of being able to vote at the April board meeting.

4) Head of School Report

- Reminder to the board this is the first meeting under the Open Records Act and to be mindful that emails are subject to the act.
- A new email system is being set up for the school. If you would like a yourname@johnrexschool.org email address, please let Joe know.
- The JRCES Welcome Center on the first floor of the Oklahoma Tower will open on February 1st. Becky Lidia will work at the center 9:00 a.m. to 2:00 p.m. Monday-Wednesday and 1:00 p.m. to 6:00 p.m. Thursday.
- Close to signing a lease for a parking lot across the street on the south side of the school for \$900 a month for 32 striped spaces. The lease will be month to month for time being.
- A grant was submitted to the State Department of Education for a Charter School Incentive grant for \$50,000.
- The sex offender registration location close to the school is not ideal but should not present a problem. This is just a product of having the school in downtown environment. Candor PR will stay out in front of to quell any perception issues.

5) The school calendar, length of school day, student to teacher ratio and teacher salaries need to be decided very soon. It was a general consensus of the board to offer an extended school year calendar and length of day, have student to teacher ratio around 25:1 and to pay higher salaries than surrounding districts. Joe, Kirk, Phil, Teresa, Anna, Brian and Marc volunteered to be part of an Ad Hoc committee to make a recommendation to the board.

6) Xavier Neira *moves to approve the grant application to Shelter Oklahoma Schools with the previous 3sq. ft. per person specs originally approved by the board. Brian seconded. Unanimous vote for approval.* **Grant application to Shelter Oklahoma Schools with recommended changes is approved.**

7) Item is tabled. TAP was directed to rework design of safe room.

8) Teresa Rose *moves to approve participation in the Oklahoma Teacher Retirement System. Gail Vines seconded. Unanimous vote for approval.* **JRCES will participate in OK Teacher Retirement System.**

9) Removed from agenda. Directors advise adding to next month's agenda.

10) No new business

11) Adjourn - Meeting adjourned at 1:10 PM.



JANET BARRESI
STATE SUPERINTENDENT OF PUBLIC INSTRUCTION
STATE OF OKLAHOMA

January 10, 2014

Mr. Joe Pierce
John W. Rex Charter Elementary School
P.O. Box 2119
Oklahoma City, Oklahoma 74101

Dear Mr. Pierce,

This letter is to inform you of a change in your assigned county district site code for John W. Rex Charter Elementary School. The assigned county district site code "55 G005 975" has been revoked. The change has been made per the request of Oklahoma City Public Schools. According to Oklahoma City Public Schools, the previously assigned county district site code of "55 G005 975", created a data conflict with the code "55 I089 975", presently assigned to Dove Science Academy.

The new code listed below will become effective for the 2014-2015 school year. You may use this county district site code when reporting to the State Department of Education, or for other current operational needs.

New County/District/Site Code **55 G007 987**

The site-level part of the code (987) was assigned so that Oklahoma City's SIS would have a "site" code that was not already in use with county-district code "55I089". All data submitted under the code "987" will eventually become historical data pertaining only to John W. Rex, thus "987" will not be available for Oklahoma City to use in the future for any new charters they sponsor..

Please call me at (405) 521-3335, if you need assistance.

Thank you.

Sincerely,

Lynn Jones
Executive Director
Accreditation Standards
School Personnel Records

OKLAHOMA STATE DEPARTMENT OF EDUCATION
2500 NORTH LINCOLN BOULEVARD, OKLAHOMA CITY, OK 73105-4599
(405) 521-3301, FAX: (405) 521-6205
[HTTP://WWW.OK.GOV/SDE/](http://www.ok.gov/sde/)



P.O. Box 18485 • Oklahoma City, OK 73154

Oklahoma Retired Educators Association

Phone: 405.525.2230 • 800.310.2230 • www.orea.org

September 2, 2014

Ms. Julie Ezell, General Counsel
Oklahoma Teachers' Retirement System
P. O. Box 53524
Oklahoma City, OK 73152

RE: Application for Eligibility to Make Appointment to TRS Board

Dear Ms. Ezell:

I have enclosed the Oklahoma Retired Educators Association's completed application with supporting documents regarding the organization's eligibility to make the appointment of a non-voting member of the TRS Board of Trustees.

We have made every effort to fully comply with the requirements listed on the application form. If, however, we have left something out or are guilty of misinterpreting any of the requirements, please call it to our attention. We will work promptly to provide the information needed.

As always, thanks for your assistance.

Sincerely,

Norman W. Cooper
Executive Director

Enclosures and attachments:

Completed application form
Attachments 1, 1a, 2, 3, 4, 5, 6, 7

APPLICATION FOR ELIGIBILITY TO MAKE OKLAHOMA TEACHERS' RETIREMENT SYSTEM NON-VOTING TRUSTEE APPOINTMENT PURSUANT TO 715:1-1-19 AND 70 O.S. SECTION 17-106(M)

Organization Name: Oklahoma Retired Educators Association
Organization Mailing Address: P.O. Box 18485, Okla. City, OK 73154
Contact Person Name: Norman Cooper Title: Exec. Director
Telephone: (405) 523-4371

Is this entity primarily organized for the purpose of representing the interests of retired educators in the State of Oklahoma and for providing benefits to those members? Yes

Does the entity have at least two hundred (200) retired educators in its membership, who are also members of OTRS? Yes

With this application, please include:

- Documentation showing the legal status of the organization (corporation, partnership, etc.) Attachment "1" and "1a"
- Documentation formally adopted by the organization demonstrating that the organization meets the definition of a statewide organization representing retired educators (organized primarily for the purpose of representing the interests of retired educators in the state and for providing benefits to those members) Attachment "2"
- Documentation formally adopted by the organization detailing the internal procedure by which the organization will select the candidate to be appointed to the Board of Trustees Attachment "3"
- Documentation demonstrating the entity has at least two hundred (200) retired educators in its membership, who are also members of OTRS.
- Documentation detailing criteria for membership in organization Attachment "5"

Name of person completing application: Norman Cooper

Title: Executive Director

Signature: Norman Cooper

Date: 9-2-14

Please return to: OTRS, Attn: Administration, P.O. Box 53524, Oklahoma City, OK 73152

Attachment "1"

OFFICE OF THE SECRETARY OF STATE



NOT FOR PROFIT

CERTIFICATE OF INCORPORATION

To all to Whom these Presents shall Come, Greetings:

WHEREAS, The Certificate of Incorporation, duly signed and verified, of

OKLAHOMA RETIRED EDUCATORS ASSOCIATION

has been filed in the office of the Secretary of State as provided by the Laws of the State of Oklahoma.

NOW THEREFORE, I, the undersigned, Secretary of State of the State of Oklahoma by virtue of the powers vested in me by law, do hereby issue this Certificate of Incorporation.

IN TESTIMONY WHEREOF, I hereunto set my hand and cause to be affixed the Great Seal of the State of Oklahoma.

Filed at the City of Oklahoma City this 24th.

day of July, A.D., 19 87



Jeanette D. Edmondson
Secretary of State

By: W. L. Courtney

7835A001 07/24/87

SOS Corp. Key: DN 00458605

609 PCH XI

Attachment "1a"

Internal Revenue Service
District Director

Department of the Treasury

1100 COMMERCE STREET
DALLAS, TX 75242-0000

Date: FEB 27 1990

OKLAHOMA RETIRED EDUCATORS
ASSOCIATION
PO BOX 18485
OKLAHOMA CITY, OK 73154

Employer Identification Number:

Contact Person:
EO TECHNICAL ASSISTOR
Contact Telephone Number:
(214) 767-3526

Internal Revenue Code
Section 501(c)(4)
Accounting Period Ending:
June 30
Form 990 Required:
Yes
Addendum Applies:
No

Dear Applicant:

Based on information supplied, and assuming your operations will be as stated in your application for recognition of exemption, we have determined you are exempt from Federal income tax under section 501(a) of the Internal Revenue Code as an organization described in the section indicated above.

Unless specifically excepted, you are liable for taxes under the Federal Insurance Contributions Act (social security taxes) for each employee to whom you pay \$100 or more during a calendar year. And, unless excepted, you are also liable for tax under the Federal Unemployment Tax Act for each employee to whom you pay \$50 or more during a calendar quarter if, during the current or preceding calendar year, you had one or more employees at any time in each of 20 calendar weeks or you paid wages of \$1,500 or more in any calendar quarter. If you have any questions about excise, employment, or other Federal taxes, please address them to this office.

If your sources of support, or your purposes, character, or method of operation change, please let us know so we can consider the effect of the change on your exempt status. In the case of an amendment to your organizational document or bylaws, please send us a copy of the amended document or bylaws. Also, you should inform us of all changes in your name or address.

In the heading of this letter we have indicated whether you must file Form 990, Return of Organization Exempt From Income Tax. If Yes is indicated, you are required to file Form 990 only if your gross receipts each year are normally more than \$25,000. However, if you receive a Form 990 package in the mail, please file the return even if you do not exceed the gross receipts test. If you are not required to file, simply attach the label provided, check the box in the heading to indicate that your annual gross receipts are normally \$25,000 or less, and sign the return.

If a return is required, it must be filed by the 15th day of the fifth month after the end of your annual accounting period. A penalty of \$10 a day

OKLAHOMA RETIRED EDUCATORS

is charged when a return is filed late, unless there is reasonable cause for the delay. However, the maximum penalty charged cannot exceed \$5,000 or 5 percent of your gross receipts for the year, whichever is less. This penalty may also be charged if a return is not complete, so please be sure your return is complete before you file it.

You are not required to file Federal income tax returns unless you are subject to the tax on unrelated business income under section 511 of the Code. If you are subject to this tax, you must file an income tax return on Form 990-T, Exempt Organization Business Income Tax Return. In this letter we are not determining whether any of your present or proposed activities are unrelated trade or business as defined in section 513 of the Code.

You need an employer identification number even if you have no employees. If an employer identification number was not entered on your application, a number will be assigned to you and you will be advised of it. Please use that number on all returns you file and in all correspondence with the Internal Revenue Service.

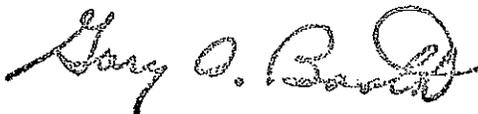
Donors may not deduct contributions to you because you are not an organization described in section 170(c) of the Code. Under section 6113, any fundraising solicitation you make must include an express statement (in a conspicuous and easily recognizable format) that contributions or gifts to you are not deductible as charitable contributions for Federal income tax purposes. This provision does not apply, however, if your annual gross receipts are normally \$100,000 or less, or if your solicitations are made to no more than ten persons during a calendar year. The law provides penalties for failure to comply with this requirement, unless failure is due to reasonable cause.

If we have indicated in the heading of this letter that an addendum applies, the enclosed addendum is an integral part of this letter.

Because this letter could help resolve any questions about your exempt status, you should keep it in your permanent records.

If you have any questions, please contact the person whose name and telephone number are shown in the heading of this letter.

Sincerely yours,



Gary O. Booth
District Director

ATTACHMENT "2"

OKLAHOMA RETIRED EDUCATORS ASSOCIATION

Norman Cooper, Executive Director

P. O. Box 18485

Oklahoma City, OK 73154

(405) 523-4371 or (800) 310-2230 toll free

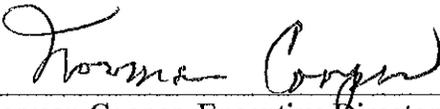
ncooper@okea.org

***NOTICE TO TEACHERS' RETIREMENT SYSTEM BOARD
OF TRUSTEES DEMONSTRATING OREA QUALIFICATION AS
STATEWIDE RETIRED EDUCATOR ORGANIZATION***

The Board of Trustees of the Teachers' Retirement System is hereby notified of the following motion adopted by the Board of Directors of the Oklahoma Retired Educators Association:

That the Board of Directors of the Oklahoma Retired Educators Association this 2nd day of September, 2014, formally notify the Teachers' Retirement System Board of Trustees that the Oklahoma Retired Educators Association is a statewide organization representing retired educators, and it is primarily organized for the purpose of representing the interests of retired educators in this state and providing member benefits, as is defined in Section 17-122.1 of title 70 of the Oklahoma Statutes. Further, OREA does meet and exceed the requirement that the entity must have at least two hundred (200) retired educators in its membership who are also members of OTRS.

Submitted on behalf of the OREA Board of Directors by:



Norman Cooper, Executive Director



Date

ATTACHMENT "3"

OKLAHOMA RETIRED EDUCATORS ASSOCIATION

Norman Cooper, Executive Director

P. O. Box 18485

Oklahoma City, OK 73154

(405) 523-4371 or (800) 310-2230 toll free

neooper@okea.org

***NOTICE TO TEACHERS' RETIREMENT SYSTEM BOARD OF TRUSTEES
REGARDING SELECTION PROCESS OF NON-VOTING TRUSTEE***

The Board of Directors of the Oklahoma Retired Educators Association will exercise authority to designate an Oklahoma retired educator – who is also a member of the Oklahoma Teachers' Retirement System – for appointment to the non-voting position on the TRS Board of Trustees effective January 1, 2015.

Due to the recent uncertainty surrounding promulgation of an emergency rule by the Board of Trustees, the OREA Board has only been able to this point to entertain expressions of interest by retired educators in the non-voting position. Both OREA members and non-members have indicated their desire to serve. Constrained by the limits of time, the OREA Board will exercise its discretion to name a highly qualified individual to the TRS position from the pool of interested TRS members.

For future selections, the OREA Board of Directors will give consideration to establishing a more formal process of accepting applications from OREA members and non-members for the position, and possibly conducting an election among qualified candidates. However, before an election can be conducted, the logistics of such an endeavor will have to be thoroughly studied. OREA would be completely forthcoming with the TRS Board of Trustees regarding the manner in which an election might be conducted.

OREA will be prepared to designate a retired member of TRS to the non-voting position prior to the December 10, 2014 deadline.

Submitted on behalf of the Board of the OREA Board of Directors by:


Norman Cooper, Executive Director

9-2-14
Date

ATTACHMENT "4"

OKLAHOMA RETIRED EDUCATORS ASSOCIATION

Norman Cooper, Executive Director

P. O. Box 18485

Oklahoma City, OK 73154

(405) 523-4371 or (800) 310-2230 toll free

ncooper@okea.org

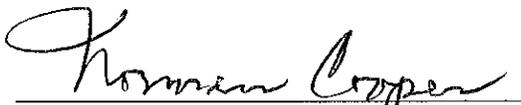
***DEMONSTRATION OF OKLAHOMA RETIRED
EDUCATORS ASSOCIATION MEMBERSHIP***

As of July 31, 2014, there were **8,946** members paying monthly dues to the Oklahoma Retired Educators Association through continuous deduction from their TRS benefits. In addition, OREA records show approximately **5,000** annual dues-paying members and lifetime members.

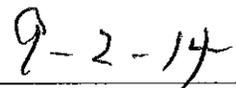
Based on the number of monthly continuous deduction members alone, it is clear that OREA membership exceeds the two hundred (200) member threshold required by the emergency rule promulgated by the TRS Board of Trustees.

Verification of continuous deduction members can be obtained internally at TRS. If something formal from OREA is required, we will seek written documentation from appropriate TRS officials. Please notify OREA if that will be necessary.

Submitted on behalf of the OREA Board of Directors this 2nd day of September, 2014,



Norman Cooper, Executive Director



Date

ATTACHMENT "5"

OKLAHOMA RETIRED EDUCATORS ASSOCIATION
P. O. Box 18485
Oklahoma City, OK 73154
(405) 523-4371 or (800) 310-2230 toll free
ncooper@okea.org

***MEMBERSHIP POLICY OF THE OKLAHOMA
RETIRED EDUCATORS ASSOCIATION***

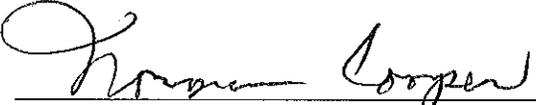
Membership in the Oklahoma Retired Educators Association is open to all retired members of the Teachers' Retirement System, as well as surviving beneficiaries who continue to receive benefits.

Membership is also open to active members of the retirement system age 45 and above.

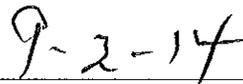
Current annual OREA dues are \$36.00, or \$3.00 per month for continuous deduction members.

There are no other qualifications for membership in the Oklahoma Retired Educators Association.

Submitted on behalf of the OREA Board of Directors this 2nd day of September, 2014,



Norman Cooper, Executive Director



Date



OKLAHOMA RETIRED EDUCATORS ASSOCIATION

"About OREA"

- The Oklahoma Retired Educators Association (OREA) was founded in 1952, nine years after the establishment of the Teachers' Retirement System, to serve as a voice for the growing retired educator population in Oklahoma.
- Many early OREA leaders were instrumental in the effort to amend the Oklahoma Constitution and pass legislation creating TRS in 1943.
- OREA is incorporated under the laws of Oklahoma. It is registered with the U. S. Internal Revenue Service as a 501(c)(4) organization.
- OREA membership is open to retired educators who are members of the Oklahoma Teachers' Retirement System.
- A small portion of OREA membership is made up of active educators nearing retirement.
- OREA has 14,000 members, with a membership presence in all 77 Oklahoma counties.
- OREA dues are modest at \$36 per year. Dues have not risen in more than a decade.
- OREA members are not required, as a condition of membership, to pay dues or belong to any other organization.
- OREA has active local units in each of the 77 counties, carrying out programs of interest and value to retired educators and their communities. In some sparsely populated areas, two or three county units have combined to better serve members.
- OREA is divided statewide into 10 districts, each with a democratically elected director who serves on the OREA Board of Directors.
- The President and Vice President of OREA are democratically elected at the annual meeting of the House of Delegates. All delegates are democratically elected at the local unit level. The President and Vice President serve two-year terms.
- OREA holds an annual convention in conjunction with the House of Delegates, to which all members are invited. The 62nd annual convention was held May 7-8 at the Reed Conference Center in Midwest City. Over 425 members were in attendance.

over

APPLICATION FOR ELIGIBILITY TO MAKE OKLAHOMA TEACHERS' RETIREMENT SYSTEM NON-VOTING TRUSTEE APPOINTMENT PURSUANT TO 715:1-1-19 AND 70 O.S. SECTION 17-106(M)

Organization Name: Retired Professional Oklahoma Educators
Organization Mailing Address: P.O. Box 639, Noble, OK 73068
Contact Person Name: Wayne Maxwell Title: Membership Director
Telephone: 405-872-3175

Is this entity primarily organized for the purpose of representing the interests of retired educators in the State of Oklahoma and for providing benefits to those members? yes

Does the entity have at least two hundred (200) retired educators in its membership, who are also members of OTRS? yes

With this application, please include:

- Documentation showing the legal status of the organization (corporation, partnership, etc.)
- Documentation formally adopted by the organization demonstrating that the organization meets the definition of a statewide organization representing retired educators (organized primarily for the purpose of representing the interests of retired educators in the state and for providing benefits to those members)
- Documentation formally adopted by the organization detailing the internal procedure by which the organization will select the candidate to be appointed to the Board of Trustees
- Documentation demonstrating the entity has at least two hundred (200) retired educators in its membership, who are also members of OTRS.
- Documentation detailing criteria for membership in organization

Name of person completing application: Michael Furlong
Title: Associate General Counsel
Signature: Michael Furlong
Date: 9/12/14

Please return to: OTRS, Attn: Administration, P.O. Box 53524, Oklahoma City, OK 73152



A NEW VOICE
A NEW CHOICE

State President – Jim Smith • Director – Wayne Maxwell

September 12, 2014

Oklahoma Teachers' Retirement System
Attn: Administration
P.O. Box 53524
Oklahoma City, Oklahoma 73152

Dear Board Members,

Enclosed, please find Retired Professional Oklahoma Educators' completed Application for Eligibility to Make Oklahoma Teachers' Retirement System Non-Voting Trustee Appointment Pursuant to 715:1-1-19 and 70 O.S. Section 17-106(M) form with supporting documents.

Our application was approved by Retired Professional Oklahoma Educators' Board of Directors at its meeting on September 2, 2014.

Attached to the application are:

- (1) Retired Professional Oklahoma Educators' Board of Directors' resolution approving this application and certifying Retired Professional Oklahoma Educators' membership numbers;
- (2) Retired Professional Oklahoma Educators' articles of incorporation as a Not For Profit entity;

P.O. Box 639 • Noble, OK • 73068 • Phone: 405.872.3175 • Toll-free: 888.331.2763 • Fax:
405.872.8897

Retire@ProfessionalOklahomaEducators.org • www.ProfessionalOklahomaEducators.org



**A NEW VOICE
A NEW CHOICE**

State President – Jim Smith • Director – Wayne Maxwell

- (3) Retired Professional Oklahoma Educators' Policy on Selection of Candidate for Appointment to Oklahoma Teachers' Retirement System Board of Trustees, adopted at its Board of Directors meeting on September 2, 2014; and
- (4) Retired Professional Oklahoma Educators' bylaws sections detailing the organization's status as a statewide organization representing retired educators and detailing criteria for membership in the organization.

If any additional information is required, please do not hesitate to contact us. We appreciate your attention to this matter. Please let us know if we can be of any assistance.

Sincerely,

Michael Furlong, Associate General Counsel
Retired Professional Oklahoma Educators

MF/mf

CC: Ginger Tinney, Executive Director, Retired Professional Oklahoma Educators; Wayne Maxwell, Membership Director, Retired Professional Oklahoma Educators.

P.O. Box 639 • Noble, OK • 73068 • Phone: 405.872.3175 • Toll-free: 888.331.2763 • Fax:
405.872.8897

Retire@ProfessionalOklahomaEducators.org • www.ProfessionalOklahomaEducators.org

Retired Professional Oklahoma Educators Board of Directors

**RESOLUTION REGARDING APPLICATION FOR ELIGIBILITY TO MAKE OKLAHOMA
TEACHERS' RETIREMENT SYSTEM NON-VOTING TRUSTEE APPOINTMENT
PURSUANT TO OKLA. ADMIN. CODE § 715:1-1-19 AND 70 OKLA. STAT. § 17-106(M)**

WHEREAS on April 7, 2014, HB 2740 was signed into law providing that “[a] statewide organization representing retired educators shall appoint a member to the [Oklahoma Teachers’ Retirement System] Board who shall be a nonvoting member”; and

WHEREAS the Oklahoma Teachers’ Retirement System Board of Trustees promulgated administrative rule 715:1-1-19 governing appointment of said nonvoting member of the Board of Trustees; and

WHEREAS administrative rule 715:1-1-19 authorizes any statewide organization “primarily organized for the purpose of representing the interests of retired educators in this state” and which has “at least two hundred (200) retired educators in its membership who are also members of [the Oklahoma Teachers’ Retirement System]” to “make application on a form supplied by OTRS, to be recognized as the organization” to select the nonvoting member pursuant to HB 2704; and

WHEREAS Retired Professional Oklahoma Educators was incorporated as a Not For Profit organization in 2009; and

WHEREAS Retired Professional Oklahoma Educators has as its stated purpose the promotion of the welfare of its members, providing its members with educational and professional involvement opportunities, and providing its members with social and interactive opportunities; and

WHEREAS, as of September 2014, Retired Professional Oklahoma Educators has approximately 350 members who are also members of the Oklahoma Teachers’ Retirement System; and

WHEREAS it is the expressed intention of the Retired Professional Oklahoma Educators Board of Directors to make application pursuant to administrative rule 715:1-1-19; and

WHEREAS, pursuant to this end, the Retired Professional Oklahoma Educators Board of Directors has adopted a Policy on Selection of Candidate for Appointment to Oklahoma Teachers’ Retirement System Board of Trustees; and

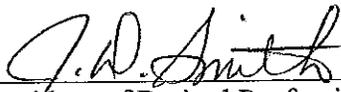
WHEREAS Retired Professional Oklahoma Educators has reviewed all application documents proposed to be submitted with its application;

THEREFORE BE IT RESOLVED that Retired Professional Oklahoma Educators directs its Membership Director to make application pursuant to administrative rule 715:1-1-19, and

BE IT FURTHER RESOLVED that such application shall be made on the form supplied by the Oklahoma Teachers' Retirement System no later than September 15, 2014, and

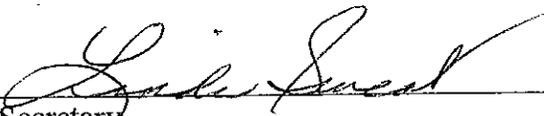
BE IT FURTHER RESOLVED that such application shall include a copy of Retired Professional Oklahoma Educators' Not for Profit Certificate of Incorporation with the Oklahoma Secretary of State, a copy of Retired Professional Oklahoma Educators' Statement of Purpose and Membership Criteria as found in Retired Professional Oklahoma Educators' Bylaws, and a copy of Retired Professional Oklahoma Educators Board of Directors Policy on Selection of Candidate for Appointment to Oklahoma Teachers' Retirement System Board of Trustees.

Adopted by the Retired Professional Oklahoma Educators Board of Directors this 2nd day of September, 2014.



President of Retired Professional Oklahoma Educators

Attest:



Secretary



Commission Expires: 10-2-15

OFFICE OF THE SECRETARY OF STATE



**NOT FOR PROFIT
CERTIFICATE OF INCORPORATION**

WHEREAS, the Not For Profit Certificate of Incorporation of

**ASSOCIATION OF RETIRED PROFESSIONAL OKLAHOMA
EDUCATORS**

has been filed in the office of the Secretary of State as provided by the laws of the State of Oklahoma.

NOW THEREFORE, I, the undersigned, Secretary of State of the State of Oklahoma, by virtue of the powers vested in me by law, do hereby issue this certificate evidencing such filing.

IN TESTIMONY WHEREOF, I hereunto set my hand and cause to be affixed the Great Seal of the State of Oklahoma.



*Filed in the city of Oklahoma City this
29th day of June, 2009.*

Secretary of State

06/29/2009 12:10 PM

OKLAHOMA SECRETARY OF STATE



SOS



12392520002

CERTIFICATE OF INCORPORATION (NOT FOR PROFIT)

TO: OKLAHOMA SECRETARY OF STATE
2300 N. Lincoln Blvd., Room 101, State Capitol Building
Oklahoma City, Oklahoma 73105-4897
(405) 521-3912

The undersigned, for the purpose of forming an Oklahoma not for profit corporation under the provisions of Title 18, Section 1001, do hereby execute the following certificate of incorporation.

1. The name of the corporation is:

Association of Retired Professional Oklahoma Educators
(Please refer to procedure sheet for statutory words required to be included in the corporate name.)

2. The name of the registered agent and the street address of the registered office in the State of Oklahoma is:

Ginger Tinney 730 Asp, Suite 212, Norman, Cleveland 73060
Name Street Address City County Zip Code
(P.O. BOXES ARE NOT ACCEPTABLE)

3. In the event the corporation is a church, the street address of its location is:

Street Address (P.O. BOXES ARE NOT ACCEPTABLE) City Zip Code

4. The duration of the corporation is:

Perpetual

(Perpetual unless otherwise stated)

5. The purpose or purposes for which the corporation is formed are:

A. To promote the welfare of the members of this association

B. To provide educational and professional involvement opportunities for members

C. To provide social and interactive opportunities for retired educators

6. This corporation does not have authority to issue capital stock.

7. This corporation is not for profit, and as such the corporation does not afford pecuniary gain, incidentally or otherwise, to its members.

RECEIVED
OK SEC. OF STATE

JUN 29 2009

RECEIVED
OK SEC. OF STATE

JUN 09 2009

8. The number of trustees or directors to be elected at the first meeting is: 3

9. The name and mailing address of each person who will serve as a trustee or director are:

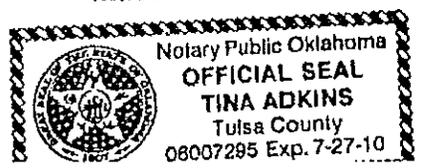
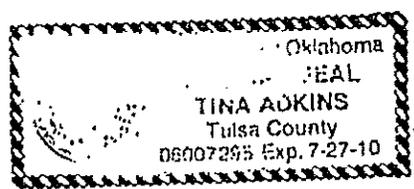
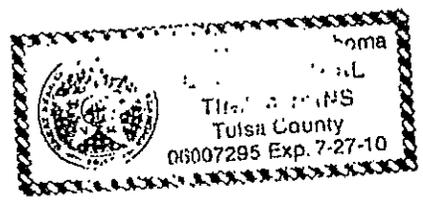
Name	Mailing Address	City	State	Zip Code
Sue Terneus	5 East Cypress Ave., Apt. 204,	Yukon,	OK	73099
Andrea Tillett	2806 North College,	Bethany,	OK	73008
Ginger Tinney	216 Highland Terrace,	Norman,	OK	73069

10. The names and mailing addresses of the undersigned incorporators:

Name	Mailing Address	City	State	Zip Code
Ginger Tinney	216 Highland Terrace,	Norman,	OK	73069
Sue Terneus	5 East Cypress Ave., Apt. 204,	Yukon,	OK	73099
Andrea Tillett	2806 North College,	Bethany,	OK	73008

INCORPORATORS MUST SIGN BELOW

WE, THE UNDERSIGNED, for the purpose of forming a not for profit corporation under the laws of the State of Oklahoma, certify that the facts herein stated are true, and have accordingly hereunto set our hands this 8th day of June, 2009.



Ginger Tinney
Margaret Sue Terneus
Andrea Tillett

Tina Adkins
Notary



OKLAHOMA SECRETARY OF STATE

M. Susan Savage
Secretary of State

2300 N. Lincoln Blvd., Room 101
Oklahoma City, OK 73105-4897

Brad Henry
Governor

June 29, 2009

STATEMENT

Page 1 of 1

GINGER TINNEY
730 ASP STE 212
NORMAN OK 73069

Client ID: 103533257

Process Date: 6/29/09

Receive Date: 6/29/09

Document Number	Document Detail	Filing Number	Entity Name	Page Count	Fee
	Certificate of Incorporation	2112239260	ASSOCIATION OF RETIRED PROFESSIONAL OKLAHOMA EDUCATORS		\$25.00

Total Document Fees \$25.00

Payment Type	Payment Status	Payment Reference	Amount
Check	Received	2114	\$25.00
Total Payments Received			\$25.00
Total Amount Charged to Client Account			\$0.00
Total Amount Credited to Client Account			\$0.00

Note: Total Amount Credited to Client Account will be refunded within 15 days of receipt of written request.
Evidence of Filed Document(s) or Orders(s) requested is enclosed.
Please include Client ID number on all correspondence.

Retired Professional Oklahoma Educators Board of Directors

**Policy on Selection of Candidate for Appointment to
Oklahoma Teachers' Retirement System Board of Trustees**

1. This policy governs selection by Retired Professional Oklahoma Educators ("RPOE") of a candidate for appointment as a non-voting member of the Oklahoma Teachers' Retirement System Board of Trustees ("OTRS Board"), pursuant to Okla. Admin. Code § 715:1-1-19.
2. Upon receipt of notification from the OTRS Board that RPOE is entitled to appoint a non-voting member to the OTRS Board, the Membership Director of RPOE ("Membership Director") shall nominate one or more candidates for the non-voting member position to the RPOE Board of Directors ("RPOE Board").
3. The RPOE Board shall approve or disapprove the nomination(s) made by the Membership Director by a majority vote. Only one nomination shall be approved.
4. If no nomination is approved by the RPOE Board, the Membership Director shall continue to make nominations until one candidate is approved by the RPOE Board.
5. The OTRS Board shall be notified in writing of the name of the candidate selected by the RPOE Board no later than December 10 of the year in which the selection is made.
6. The candidate selected by the RPOE Board to serve as a non-voting member of the OTRS Board shall serve at the pleasure of the RPOE Board. The RPOE Board may revoke its selection of a candidate by a majority vote. Such decision shall be promptly communicated to the OTRS Board and the RPOE Membership Director. The process of selecting a replacement candidate shall be undertaken immediately upon such action by the RPOE Board and shall follow the procedure outlined in this policy for selection of a candidate.

Approved by the Retired Professional Oklahoma Educators Board of Directors: 9/2/14

Retired Professional Oklahoma Educators Board of Directors

Statement of Purpose¹

The purposes of the Retired Professional Oklahoma Educators include, but are not limited to the following:

- a. To promote retired educators' being active in education:
 - 1) By creating a professional organization for all Oklahoma retired teachers and educators;
 - 2) By supporting and assisting the Association of Professional Oklahoma Educators;
 - 3) By providing various volunteer activities whereas retired educators can help active educators in Oklahoma;
 - 4) By helping to keep retired teachers and educators informed about current issues, trends and developments in education.
 - 5) To encourage retired school personnel to give voluntarily of their time, talents, knowledge and experience in the furtherance of education in local communities, the state of Oklahoma and the United States.

- b. To promote the welfare of the members of this association:
 - 1) By promoting and protecting retired educators' best interests;
 - 2) By providing social activities for Retired Professional Oklahoma Educators members;
 - 3) To educate and furnish information to education leaders and the public about the needs of retired educators;
 - 4) To promote the economic, social, intellectual and healthy well-being of retired educators.

- c. To do any and all lawful acts that may be necessary and proper for the attainment of the foregoing purposes.

¹ Source: Retired Professional Oklahoma Educators Bylaws, Art. I, § 2.

Retired Professional Oklahoma Educators Board of Directors

Membership²

Membership in the Retired Professional Oklahoma Educators shall be any retired educators that uphold the beliefs and purposes of RPOE. Membership may be granted after completing the membership application, turning it into the state RPOE Office and paying membership dues. The Board of Directors shall set the terms and conditions of membership.

² Source: Retired Professional Oklahoma Educators Bylaws, Art. III.

MEMORANDUM

TO: OTRS Board of Trustees

FROM: Tom Spencer, TRS Interim Executive Director

DATE: September 19, 2014

RE: Computing pension liability for OU & OSU under GASB 67 & 68 - **UPDATE**

Much of this memo is what was in the Board materials last month. However, I wanted to update this based on conversations since that meeting.

“GASB” is the Governmental Accounting Standards Board. Even though the GASB isn’t a government agency and has no enforcement authority, the accounting standards it adopts become gospel. In the past, GASB standards dealt with both accounting and actuarial issues as they applied to public pension plans. The standards actually included direction on appropriate ways to fund public pension plans. Actuaries have always conducted their work in a manner consistent with these accounting standards. After years of debate, the GASB adopted standards 67 & 68. The GASB itself stated that these standards were resulting in a “divorce” between accounting standards and actuarial funding. These standards establish new rules for how public pension plan financial statements are prepared, and what information related to pension liability must appear in the financial statements of government agencies that participate in public pension plans.

Most of us who have dealt with pension plans for the last several years are familiar with the term “unfunded liability” which is shorthand for “unfunded actuarial accrued liability.” The basic concept is simple. The obligation to pay pensions is a liability of the retirement plan. Each plan has assets set aside and pledged to pay these pensions. If the assets are lower than the liabilities, the plan has an “unfunded liability”.

The jargon has changed. With the adoption of GASB 67 & 68, public plans and their participating employers must calculate the “net pension liability” of the Plan. There is not much difference in how this number is determined compared to the calculation of “unfunded liability.” What was groundbreaking (and troubling to many) was the GASB 68 requirement that all participating government employers in a plan would have to report their share of this “net pension liability” in their own financial statements. This was particularly troubling to participating governments in Oklahoma as the Oklahoma Supreme Court has held several times that the State of Oklahoma is responsible for all pension liability. At the end of FY 2013, the unfunded liability of OTRS was a little more than \$8 billion. Under GASB 67 & 68, OTRS has to adopt a method of allocating the pension liability for FY 2014 to all of its participating employers. Then to the extent the employer prepares a financial statement under Generally Accepted Accounting Principles (GAAP) the employer will have to reflect that allocation as a liability in that statement.

Before I started as the Interim Director on April 1, OU and OSU had contacted OTRS about the impact of GASB 67 & 68 on those universities. As will be discussed in a little more detail later

in this memo, they were concerned about how their portion of the net pension debt of OTRS would be allocated to them under these new accounting standards. They are asking that the OTRS Board adopt an allocation process using, in part, a calculation that is mandated under state law for the OU/OSU alternative Retirement Plan. This statute dictates how much the universities must continue to pay OTRS to pay their own share of OTRS unfunded liability.

In the implementation guidance from the GASB, there are a few acceptable methods for public plans to adopt. Both the OTRS staff and the OPERS staff are recommending that the allocations be based on the amount of employer contributions to the plan. Both plans' actuaries and external auditors are recommending this method. On page 92 of the GASB 68 Implementation Guide, is the guidance to plans picking that method of allocation. It states, "[a] liability should be recognized for the employer's proportionate share of the collective net pension liability." This seems to say that there is a single "collective" liability shared by a group of participating employers. Paragraph 48(a) makes clear that it is measured by one employer's proportionate share of those contributions compared to the entire group of contributing employers. Using one methodology for one or two employers, and using a different methodology of allocation for the other employers, appears to be inconsistent with this guidance in the opinion of OTRS staff.

What is the basis of OU's and OSU's belief that a different method should be used for those institutions? It is based on the legislation that permits OU and OSU to set up alternative retirement plans found in 70 O.S. Section 17-201 et seq. These statutes were enacted in 2004. The clear purpose of these statutes is to grant permission to certain institutions of higher education to set up their own plans even though they had been participating in the Oklahoma Teachers' Retirement System since its inception in 1943. OU and OSU are the only institutions of higher education that currently qualify under the legislation. The secondary reason behind the statutes was to ensure that these two institutions continue to financially support OTRS since many retired members worked at OU and OSU. A substantial amount of unfunded liability has built up over time and some of this debt is directly attributable to paying retirees of these two institutions. These statutes, which pre-date GASB 67 & 68, provide a statutory mechanism to track these institutions' fair share of the unfunded liability. A surcharge of 2.5% of compensation is collected from the institutions based on the compensation of current active employees who opt out of OTRS. The legislation also has a method by which OU & OSU could be liable for an additional surcharge should the financial condition of OTRS deteriorate enough to trigger the extra charge.

The purpose of the statutory scheme is (a) permission to create new plans outside of OTRS, and (b) a method by which OU and OSU will continue to fund the legacy unfunded debt of OTRS. In the opinion of OTRS staff, its main purpose concerns adequately funding OTRS and has nothing to do with financial reporting.

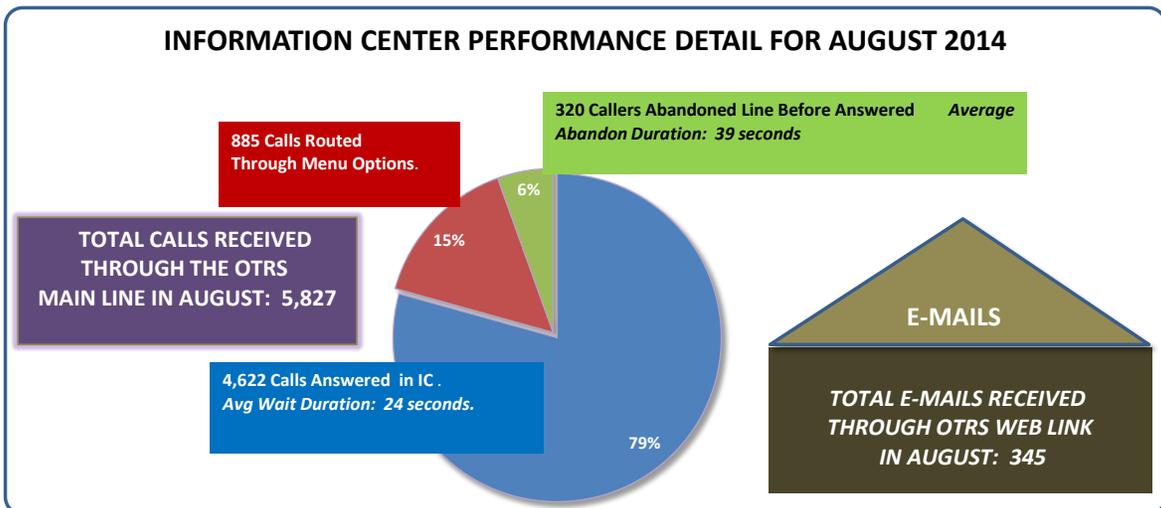
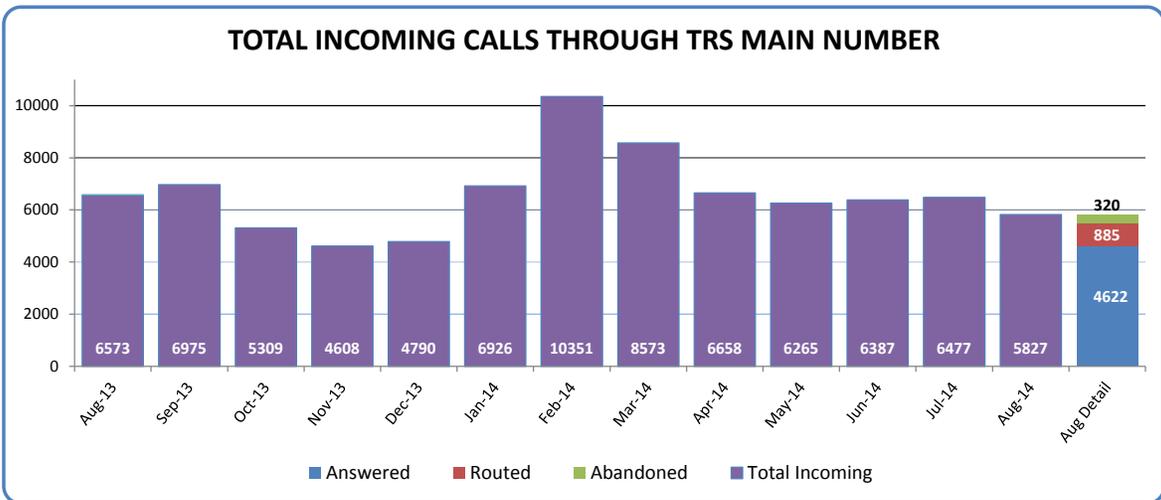
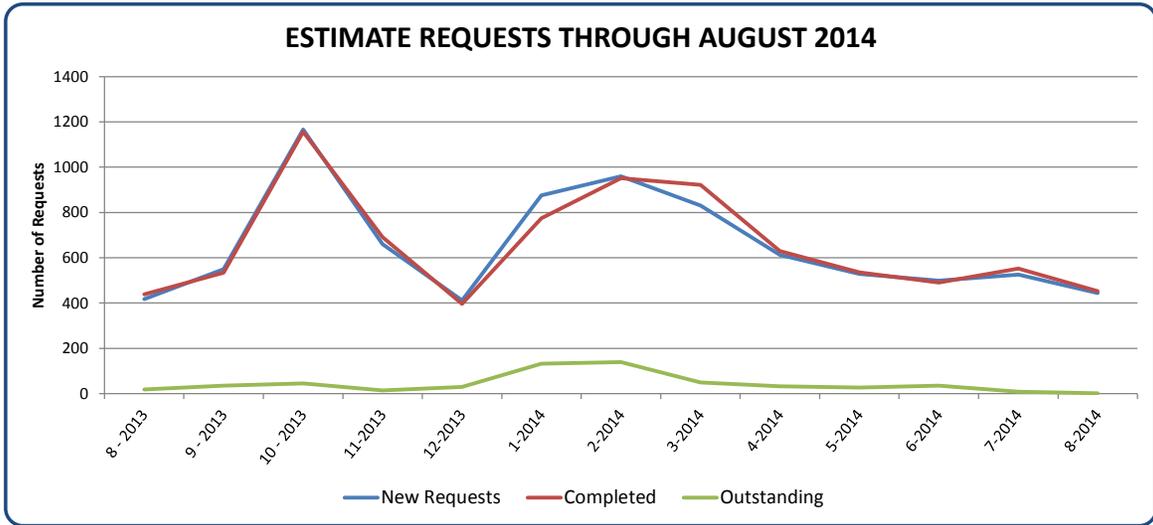
OU and OSU are suggesting that the proportionate amount of their liability under GASB 68 be determined by this statutory methodology established in 2004 rather than the proportionate share of contributions methodology set out in the implementation guide. They suggest that their state statutory calculation be used to reduce the entire Plan's net pension liability and then the remainder be allocated to other participating employers using whatever method OTRS chooses.

The most significant thing in GASB 67 & 68 is the express “divorce” of funding from financial reporting. Previous GASB statements (e.g. 25 & 27) kept these two things in lock step. In the opinion of OTRS staff, OU and OSU’s share of the net pension liability under GASB 67 & 68 must be calculated in the same manner as every other participating employer in OTRS. It will be determined by the employer contribution amounts into OTRS.

The OTRS staff view of allocation was shared in writing with OU and OSU on September 11 although we believe our position was communicated to them several weeks before that. OTRS has not yet received a response from the universities.

Cole & Reed is the external auditor for OTRS and is currently auditing the OTRS FY 2014 financial statements. They have sent a “technical inquiry” to the GASB asking for specific guidance to see if there is any basis to use the state law calculation to separately allocate OU’s and OSU’s share of the OTRS net pension liability. There is some concern whether this question will be answered before a decision needs to be made on how this is to be allocated. The staff will continue to monitor this.

CLIENT SERVICES PERFORMANCE METRICS THROUGH AUGUST 2014





OKLAHOMA TEACHERS RETIREMENT SYSTEM

PO BOX 53524 OKLAHOMA CITY, OKLAHOMA 73152

(405) 521-2387 OR TOLL FREE (877) 738-6365

Monthly Retirement Status Report

September 1, 2014

	Count	Benefit Total	Average Benefit	Average Years of Service	Average Age
New Retirements					
Disability	5	\$4,824.94	\$964.99	18.05	53.8
Normal	204	\$371,789.63	\$1,822.50	23.22	62
Total	209	\$376,614.57	\$2,787.49	23.10	61.81
Terminated Annuities	98	(\$110,564.99)	\$1,128.21	22.29	81.33

NORMAL RETIREMENTS			9/1/2014		
Client Number	Years Of Service	Age	Estimate Ret. Date	Retirement Number	Benefit
Q0009951	14	62	9/1/2014	102215	\$707.17
Q0121269	8	66	9/1/2014	102216	\$352.20
Q0162048	21	65	9/1/2014	102371	\$880.63
Q0013118	31	60	9/1/2014	102217	\$2,468.81
Q0089545	33	57	9/1/2014	102190	\$1,800.66
Q0090656	28	56	9/1/2014	102219	\$2,182.41
Q0163730	31	53	9/1/2014	102082	\$2,297.94
Q0302849	5	63	9/1/2014	102062	\$91.91
Q0214258	11	67	9/1/2014	102360	\$457.33
Q0166964	27	56	9/1/2014	101827	\$2,038.31
Q0125212	41	63	9/1/2014	102063	\$2,944.68
Q0246749	36	62	9/1/2014	102064	\$4,231.89
Q0163236	11	61	9/1/2014	102065	\$650.50
Q0088785	17	57	9/1/2014	102122	\$962.62
Q0032886	16	62	9/1/2014	102066	\$1,092.11
Q0007085	45	67	9/1/2014	102220	\$3,418.55
Q0165703	31	58	9/1/2014	102068	\$1,634.79
Q0102007	40	63	9/1/2014	102221	\$3,697.68
Q0104148	20	63	9/1/2014	102152	\$529.78
Q0139176	41	75	9/1/2014	102069	\$2,855.71
Q0106243	33	63	9/1/2014	102224	\$3,884.64
Q0142299	24	66	9/1/2014	102070	\$641.83
Q0121725	25	62	9/1/2014	101927	\$3,668.25
Q0048383	16	64	9/1/2014	101458	\$765.16
Q0034430	36	60	9/1/2014	102227	\$2,793.32
Q0031663	29	57	9/1/2014	102073	\$2,241.62
Q0161114	15	65	9/1/2014	102363	\$469.54
Q0067566	11	62	9/1/2014	101455	\$335.82
Q0161405	31	62	9/1/2014	100632	\$3,109.07
Q0047842	20	64	9/1/2014	102364	\$1,578.02
Q0226313	41	74	9/1/2014	102074	\$1,989.81
Q0044626	11	68	9/1/2014	102123	\$715.13
Q0290513	8	63	9/1/2014	102124	\$768.86
Q0260406	15	70	9/1/2014	102125	\$924.40
Q0050101	23	57	9/1/2014	102373	\$1,695.70
Q0104564	23	62	9/1/2014	101957	\$1,529.28
Q0103111	31	66	9/1/2014	102229	\$820.64
Q0038557	30	62	9/1/2014	102076	\$3,172.78
Q0183458	27	59	9/1/2014	102129	\$1,013.52
Q0045437	25	62	9/1/2014	102230	\$805.89
Q0260107	27	63	9/1/2014	102077	\$3,035.45
Q0167196	28	52	9/1/2014	102232	\$2,040.91
Q0085879	35	56	9/1/2014	102233	\$4,485.71
Q0211822	35	58	9/1/2014	102126	\$2,718.10
Q0102911	10	65	9/1/2014	102404	\$988.44
Q0181878	11	65	9/1/2014	102083	\$724.90
Q0197234	17	68	9/1/2014	102182	\$745.67
Q0162408	37	66	9/1/2014	102079	\$3,218.04

NORMAL RETIREMENTS			9/1/2014		
Client Number	Years Of Service	Age	Estimate Ret. Date	Retirement Number	Benefit
Q0302721	6	66	9/1/2014	102380	\$137.41
Q0104884	10	62	9/1/2014	102381	\$397.11
Q0121001	25	69	9/1/2014	102383	\$1,668.92
Q0250777	19	62	9/1/2014	102234	\$1,543.73
Q0149643	13	61	9/1/2014	102384	\$677.03
Q0101927	12	68	9/1/2014	102385	\$968.65
Q0028706	26	62	9/1/2014	102390	\$3,539.40
Q0201080	21	63	9/1/2014	102391	\$1,429.25
Q0139296	24	70	9/1/2014	102392	\$3,457.93
Q0233748	20	62	9/1/2014	102393	\$1,371.86
Q0257308	30	68	9/1/2014	102153	\$2,618.11
Q0165631	28	52	9/1/2014	101586	\$2,206.20
Q0200860	28	64	9/1/2014	102394	\$1,695.79
Q0201925	12	61	9/1/2014	102395	\$515.21
Q0286716	7	56	9/1/2014	102370	\$139.14
Q0024072	19	66	9/1/2014	102396	\$824.87
Q0070012	19	55	9/1/2014	102130	\$535.34
Q0200879	36	58	9/1/2014	102235	\$2,637.90
Q0305514	5	63	9/1/2014	101833	\$349.23
Q0062879	17	70	9/1/2014	102397	\$1,766.41
Q0083543	37	66	9/1/2014	102236	\$1,496.11
Q0090858	28	53	9/1/2014	102409	\$2,000.62
Q0280365	9	65	9/1/2014	102490	\$343.94
Q0217714	26	55	9/1/2014	101502	\$1,799.11
Q0033124	26	54	9/1/2014	102237	\$2,478.77
Q0047637	22	63	9/1/2014	102405	\$1,784.79
Q0046620	41	62	9/1/2014	102238	\$2,194.35
Q0165864	24	56	9/1/2014	099830	\$1,655.34
Q0203210	12	61	9/1/2014	102402	\$220.86
Q0047312	14	62	9/1/2014	101976	\$1,153.84
Q0186215	26	56	9/1/2014	101931	\$2,204.84
Q0215931	15	65	9/1/2014	102239	\$462.62
Q0019062	16	69	9/1/2014	102401	\$5,912.79
Q0015934	17	62	9/1/2014	102240	\$1,171.79
Q0202288	8	62	9/1/2014	102491	\$320.30
Q0292143	7	62	9/1/2014	102502	\$149.18
Q0143301	26	63	9/1/2014	102128	\$1,960.83
Q0083494	45	66	9/1/2014	102242	\$4,642.14
Q0088722	35	56	9/1/2014	102014	\$2,864.71
Q0243674	26	61	9/1/2014	102501	\$943.15
Q0007198	35	63	9/1/2014	102080	\$2,652.70
Q0139999	35	69	9/1/2014	102154	\$5,357.48
Q0049370	14	62	9/1/2014	102493	\$1,188.62
Q0127840	31	58	9/1/2014	102399	\$2,064.24
Q0047567	16	64	9/1/2014	102438	\$1,249.31
Q0050088	33	55	9/1/2014	101597	\$3,642.42
Q0202839	27	62	9/1/2014	102243	\$1,711.49
Q0085171	34	67	9/1/2014	102012	\$1,392.35

NORMAL RETIREMENTS			9/1/2014		
Client Number	Years Of Service	Age	Estimate Ret. Date	Retirement Number	Benefit
Q0038483	14	72	9/1/2014	102258	\$620.83
Q0109938	29	55	9/1/2014	102081	\$2,301.03
Q0187132	30	54	9/1/2014	102084	\$844.68
Q0206797	29	51	9/1/2014	102085	\$2,413.13
Q0034679	19	55	9/1/2014	102257	\$849.04
Q0122457	26	65	9/1/2014	102256	\$824.39
Q0200077	10	69	9/1/2014	102400	\$295.43
Q0083254	14	67	9/1/2014	102131	\$1,107.46
Q0145875	16	60	9/1/2014	102495	\$644.49
Q0125779	26	58	9/1/2014	102133	\$2,812.82
Q0183224	40	62	9/1/2014	102134	\$3,978.76
Q0203686	13	61	9/1/2014	102398	\$713.35
Q0049269	23	60	9/1/2014	102365	\$1,883.66
Q0130020	28	52	9/1/2014	102136	\$2,122.69
Q0228534	33	65	9/1/2014	102137	\$2,698.38
Q0006242	27	67	9/1/2014	102138	\$2,839.10
Q0023043	27	68	9/1/2014	102139	\$2,951.00
Q0166012	25	56	9/1/2014	102255	\$2,331.74
Q0183537	26	60	9/1/2014	102254	\$2,286.33
Q0162957	13	65	9/1/2014	102140	\$583.97
Q0122477	39	62	9/1/2014	102377	\$5,054.19
Q0126572	17	58	9/1/2014	102141	\$328.58
Q0254622	45	77	9/1/2014	102503	\$3,804.22
Q0244828	30	62	9/1/2014	102552	\$2,113.91
Q0202030	12	61	9/1/2014	102498	\$268.30
Q0068659	25	58	9/1/2014	102142	\$2,466.47
Q0109517	11	56	9/1/2014	102143	\$163.60
Q0145329	36	60	9/1/2014	102505	\$3,315.48
Q0022424	40	69	9/1/2014	102519	\$3,931.16
Q0014779	12	62	9/1/2014	102042	\$908.40
Q0181888	29	60	9/1/2014	102253	\$2,711.98
Q0046295	19	66	9/1/2014	102500	\$638.08
Q0203241	36	60	9/1/2014	102506	\$4,342.95
Q0162815	27	62	9/1/2014	102368	\$2,141.21
Q0018794	19	67	9/1/2014	102252	\$1,322.96
Q0289189	8	73	9/1/2014	102144	\$301.45
Q0240228	33	57	9/1/2014	102145	\$2,897.82
Q0235087	18	58	9/1/2014	102251	\$852.96
Q0178107	29	71	9/1/2014	102250	\$2,731.91
Q0081715	8	69	9/1/2014	102146	\$495.21
Q0202177	36	62	9/1/2014	102147	\$3,260.40
Q0034441	34	57	9/1/2014	102249	\$2,899.01
Q0181232	12	61	9/1/2014	102148	\$661.64
Q0259784	14	58	9/1/2014	102248	\$342.66
Q0253879	7	62	9/1/2014	101932	\$445.58
Q0003972	25	60	9/1/2014	102494	\$4,429.27
Q0222640	21	58	9/1/2014	102156	\$667.84
Q0051305	31	54	9/1/2014	102247	\$4,867.22

NORMAL RETIREMENTS			9/1/2014		
Client Number	Years Of Service	Age	Estimate Ret. Date	Retirement Number	Benefit
Q0103236	18	64	9/1/2014	102553	\$1,077.32
Q0091887	29	51	9/1/2014	102157	\$2,658.18
Q0086546	25	62	9/1/2014	102151	\$1,959.28
Q0067603	30	60	9/1/2014	102158	\$2,251.58
Q0148343	28	54	9/1/2014	102246	\$1,480.32
Q0308110	5	62	9/1/2014	102159	\$193.89
Q0250870	9	63	9/1/2014	102155	\$544.38
Q0229874	23	57	9/1/2014	101984	\$1,581.81
Q0200497	7	65	9/1/2014	102244	\$369.65
Q0247340	17	62	9/1/2014	102150	\$1,458.74
Q0246178	38	62	9/1/2014	102009	\$5,171.13
Q0225860	29	61	9/1/2014	102379	\$1,893.34
Q0181887	18	63	9/1/2014	102160	\$1,198.62
Q0067036	21	62	9/1/2014	102497	\$2,683.17
Q0034386	27	58	9/1/2014	102496	\$2,505.35
Q0212115	34	56	9/1/2014	102504	\$2,422.06
Q0227188	21	66	9/1/2014	102113	\$3,263.98
Q0109913	32	54	9/1/2014	102228	\$2,556.71
Q0184429	37	60	9/1/2014	102177	\$3,075.93
Q0048408	20	62	9/1/2014	102185	\$993.13
Q0247875	19	61	9/1/2014	102178	\$1,139.69
Q0243785	26	54	9/1/2014	102184	\$1,680.10
Q0047514	11	63	9/1/2014	102018	\$1,805.64
Q0048196	9	62	9/1/2014	102173	\$413.55
Q0050506	13	60	9/1/2014	102196	\$728.47
Q0306263	5	62	9/1/2014	101979	\$273.39
Q0125895	24	59	9/1/2014	102174	\$1,682.81
Q0251127	27	63	9/1/2014	102163	\$2,230.83
Q0120394	16	70	9/1/2014	102110	\$317.71
Q0143910	11	63	9/1/2014	102226	\$1,205.58
Q0158885	9	70	9/1/2014	102172	\$501.99
Q0160224	17	62	9/1/2014	102164	\$1,105.03
Q0045035	13	60	9/1/2014	102166	\$446.70
Q0082229	10	68	9/1/2014	102111	\$190.59
Q0110825	31	53	9/1/2014	102112	\$3,270.67
Q0032604	40	69	9/1/2014	102115	\$5,833.50
Q0254860	34	68	9/1/2014	102104	\$2,714.97
Q0144744	22	58	9/1/2014	102101	\$1,760.60
Q0144891	24	62	9/1/2014	102434	\$2,031.56
Q0010372	38	68	9/1/2014	102094	\$4,017.12
Q0244606	33	66	9/1/2014	102223	\$3,086.78
Q0310112	5	61	9/1/2014	102165	\$228.74
Q0109052	36	55	9/1/2014	101953	\$3,196.33
Q0164153	41	62	9/1/2014	101952	\$5,221.90
Q0246201	8	60	9/1/2014	101615	\$376.68
Q0006043	16	59	9/1/2014	102162	\$1,018.05
Q0139314	28	72	9/1/2014	102092	\$702.63
Q0240037	7	68	9/1/2014	102100	\$354.12

NORMAL RETIREMENTS			9/1/2014		
Client Number	Years Of Service	Age	Estimate Ret. Date	Retirement Number	Benefit
Q0067380	20	61	9/1/2014	102091	\$1,139.50
Q0085030	12	64	9/1/2014	102161	\$329.03
Q0215289	26	56	9/1/2014	102492	\$2,357.98
Q0063742	16	68	9/1/2014	102121	\$1,115.08
Q0145256	31	59	9/1/2014	102116	\$2,278.48
Q0159873	32	66	9/1/2014	102089	\$2,650.11
Q0245008	23	62	9/1/2014	102193	\$1,507.55
Q0202263	24	61	9/1/2014	102170	\$1,139.22
Q0200084	17	66	9/1/2014	102088	\$648.93
Q0200575	46	68	9/1/2014	102218	\$3,952.15
Q0145062	22	62	9/1/2014	102169	\$1,919.45
Q0184890	38	58	9/1/2014	102187	\$2,736.75
Averages	23.22	62.00			\$1,822.50
			Totals	204	\$371,789.63

DISABILITY RETIREMENTS			9/1/2014		
Client Number	Years Of Service	Age	Estimate Ret. Date	Retirement Number	Benefit
Q0148724	17	51	9/1/2014	D102524	\$273.48
Q0166531	25	51	9/1/2014	D102533	\$938.01
Q0107356	15	57	9/1/2014	D102526	\$1,545.58
Q0022481	13	58	9/1/2014	D102468	\$378.43
Q0206387	20	52	9/1/2014	D102527	\$1,689.44
Averages	18.05	53.80			
			Totals	5	\$964.99
					\$4,824.94

TERMINATIONS

From 8/1/2014 to 8/31/2014

Termination Type	Years Of Service	Age	Death Date	Termination Date	Retirement Number	Benefit
Deceased	20	103	7/30/2014	8/1/2014	016179	\$968.55
Deceased	29	96	7/17/2014	8/1/2014	017285	\$1,276.51
Deceased	20	95	7/28/2014	8/1/2014	018394	\$722.19
Deceased	17	101	6/19/2014	8/1/2014	018754	\$366.72
Deceased	15	94	7/2/2014	8/1/2014	019253	\$376.41
Deceased	18	95	7/24/2014	8/1/2014	020578	\$789.73
Deceased	28	93	7/22/2014	8/1/2014	021149	\$923.05
Deceased	16	96	7/10/2014	8/1/2014	021483	\$671.91
Deceased	36	87	5/20/2014	8/1/2014	022895	\$1,645.55
Deceased	34	90	2/25/2014	8/1/2014	023237	\$1,290.93
Deceased	12	85	7/23/2014	8/1/2014	023418	\$177.53
Deceased	25	88	7/11/2014	8/1/2014	023779	\$1,494.00
Deceased	44	94	7/2/2014	8/1/2014	024447	\$1,171.77
Deceased	17	80	7/15/2014	8/1/2014	024661	\$257.98
Deceased	25	91	7/27/2014	8/1/2014	025092	\$1,384.41
Deceased	21	88	7/14/2014	8/1/2014	025217	\$1,295.58
Deceased	12	91	7/11/2014	8/1/2014	025236	\$442.11
Deceased	39	89	1/13/2014	8/1/2014	025357	\$2,434.46
Deceased	30	88	7/16/2014	8/1/2014	025579	\$1,837.77
Deceased	25	92	7/22/2014	8/1/2014	025959	\$1,538.79
Deceased	27	87	7/1/2014	8/1/2014	026052	\$1,624.39
Deceased	15	85	7/17/2014	8/1/2014	026296	\$253.57
Deceased	36	89	7/10/2014	8/1/2014	026536	\$1,989.79
Deceased	33	84	7/14/2014	8/1/2014	026592	\$1,815.88
Deceased	21	93	7/15/2014	8/1/2014	026673	\$501.71
Deceased	18	89	7/31/2014	8/1/2014	027485	\$591.53
Deceased	31	85	7/31/2014	8/1/2014	027545	\$1,537.62
Deceased	24	89	7/18/2014	8/1/2014	028103	\$665.58
Deceased	16	86	6/30/2014	8/1/2014	028253	\$646.76
Deceased	26	84	7/23/2014	8/1/2014	028383	\$1,770.10
Deceased	35	86	7/27/2014	8/1/2014	028634	\$2,396.32
Deceased	39	87	7/27/2014	8/1/2014	028803	\$1,462.65
Deceased	30	85	7/26/2014	8/1/2014	029089	\$2,256.74
Deceased	13	95	7/18/2014	8/1/2014	029374	\$365.47
Deceased	10	90	7/17/2014	8/1/2014	029843	\$160.12
Deceased	12	94	7/10/2014	8/1/2014	030012	\$251.23
Deceased	11	91	6/15/2014	8/1/2014	030108	\$458.83
Deceased	42	89	7/2/2014	8/1/2014	030161	\$2,688.86
Deceased	22	85	7/10/2014	8/1/2014	030204	\$1,218.74
Deceased	24	84	7/4/2014	8/1/2014	030380	\$998.56
Deceased	11	89	7/18/2014	8/1/2014	031307	\$343.17
Deceased	25	79	7/21/2014	8/1/2014	031367	\$1,680.79
Deceased	22	82	6/30/2014	8/1/2014	032008	\$975.24
Deceased	21	83	7/3/2014	8/1/2014	032852	\$1,294.54
Deceased	20	86	7/20/2014	8/1/2014	033452	\$1,095.76
Deceased	13	89	7/12/2014	8/1/2014	033863	\$188.40
Deceased	27	76	7/11/2014	8/1/2014	034800	\$2,027.35
Deceased	23	85	7/10/2014	8/1/2014	034894	\$1,567.85
Deceased	26	88	7/11/2014	8/1/2014	034925	\$1,541.09
Deceased	23	84	7/28/2014	8/1/2014	035064	\$490.36
Deceased	14	80	7/30/2014	8/1/2014	035983	\$197.40

TERMINATIONS

From 8/1/2014 to 8/31/2014

Termination Type	Years Of Service	Age	Death Date	Termination Date	Retirement Number	Benefit
Deceased	28	86	7/24/2014	8/1/2014	036051	\$1,005.47
Deceased	38	82	7/31/2014	8/1/2014	036544	\$2,839.03
Deceased	23	80	7/23/2014	8/1/2014	036560	\$1,432.98
Deceased	27	75	7/3/2014	8/1/2014	036612	\$1,547.11
Deceased	26	74	7/22/2014	8/1/2014	040035	\$722.65
Deceased	23	77	7/6/2014	8/1/2014	040634	\$1,146.64
Deceased	26	80	7/4/2014	8/1/2014	041011	\$1,179.04
Deceased	25	74	7/12/2014	8/1/2014	041203	\$1,336.39
Deceased	13	79	4/28/2014	8/1/2014	041388	\$863.02
Deceased	22	80	7/28/2014	8/1/2014	041699	\$1,434.92
Deceased	22	92	7/25/2014	8/1/2014	041884	\$451.96
Deceased	19	84	7/15/2014	8/1/2014	042568	\$329.47
Deceased	11	81	7/11/2014	8/1/2014	043048	\$368.88
Deceased	33	76	7/20/2014	8/1/2014	043167	\$2,616.40
Deceased	26	79	7/25/2014	8/1/2014	048628	\$1,634.65
Deceased	20	88	7/7/2014	8/1/2014	049306	\$1,026.51
Deceased	18	86	7/24/2014	8/1/2014	051057	\$476.03
Deceased	17	75	7/29/2014	8/1/2014	051423	\$278.70
Deceased	34	69	7/27/2014	8/1/2014	052211	\$2,439.82
Deceased	24	70	7/12/2014	8/1/2014	053564	\$788.03
Deceased	23	93	7/19/2014	8/1/2014	054532	\$809.50
Deceased	16	74	7/29/2014	8/1/2014	055472	\$1,180.42
Deceased	26	67	7/30/2014	8/1/2014	057498	\$1,359.02
Deceased	19	65	6/19/2014	8/1/2014	058393	\$230.93
Deceased	5	74	7/29/2014	8/1/2014	060264	\$185.88
Deceased	13	74	7/10/2014	8/1/2014	060795	\$421.32
Deceased	25	79	7/10/2014	8/1/2014	061843	\$1,552.31
Deceased	11	70	7/17/2014	8/1/2014	072204	\$754.89
Deceased	27	76	7/16/2014	8/1/2014	072498	\$1,282.51
Deceased	19	67	7/22/2014	8/1/2014	072634	\$888.19
Deceased	22	71	7/23/2014	8/1/2014	074646	\$3,205.40
Deceased	23	62	4/23/2014	8/1/2014	075509	\$1,742.26
Deceased	20	64	7/3/2014	8/1/2014	075684	\$845.83
Deceased	12	65	5/31/2014	8/1/2014	075827	\$652.67
Deceased	34	61	6/19/2014	8/1/2014	076702	\$2,745.39
Deceased	25	66	7/8/2014	8/1/2014	077407	\$738.17
Deceased	37	65	7/9/2014	8/1/2014	077501	\$3,147.21
Deceased	22	61	7/18/2014	8/1/2014	078668	\$1,225.16
Deceased	24	67	5/11/2014	8/1/2014	097792	\$2,206.51
Deceased	10	90	7/7/2014	8/1/2014	098622	\$254.62
Deceased	21	63	7/19/2014	8/1/2014	099176	\$1,419.37
Deceased	14	62	7/17/2014	8/1/2014	100058	\$360.98
Deceased	6	65	1/14/2014	8/1/2014	101614	\$363.22
Deceased	14	60	4/12/2014	8/1/2014	102117	\$623.36
Deceased	15	78	7/29/2014	8/1/2014	D01021	\$865.74
Deceased	19	68	7/9/2014	8/1/2014	D01354	\$1,007.77
Deceased	14	62	7/15/2014	8/1/2014	D03079	\$456.31

Averages 22.29 81.33**Totals 98****\$1,128.21
\$110,564.99**



HR STATUS REPORT

• **New Hires (August 2014):**

Employee: 291235
Title: Retirement Planning Consultant (information center)
Salary: \$36,276
Effective: 08/04/2014

• **Resignations/Terminations/Retirements (August 2014):**

n/a

• **Promotion (August 2014):**

Employee: 284348
Title From: Retirement Planning Consultant (information center)
Title To: Business Analyst (employer reporting / finance & accounting)
Salary From: \$36,276
Salary To: \$39,102
Effective: 08/18/2014

MISCELLANEOUS PAYMENTS

• **Educational Loan Reimbursement Program as provided by 74 O.S. 1731-1734.**

<i>Employee:</i> 172671	<i>Employee:</i> 215671
<i>Loan Reimbursement:</i> \$3,579.41	<i>Loan Reimbursement:</i> \$5,000.00
<i>Processed:</i> 09/03/2014	<i>Processed:</i> 09/03/2014

HB 1114 was enacted in 2007 to provide financial assistance for repayment of educational loans and TRS has participated in this program since 2010. Stipulations of the policy are:

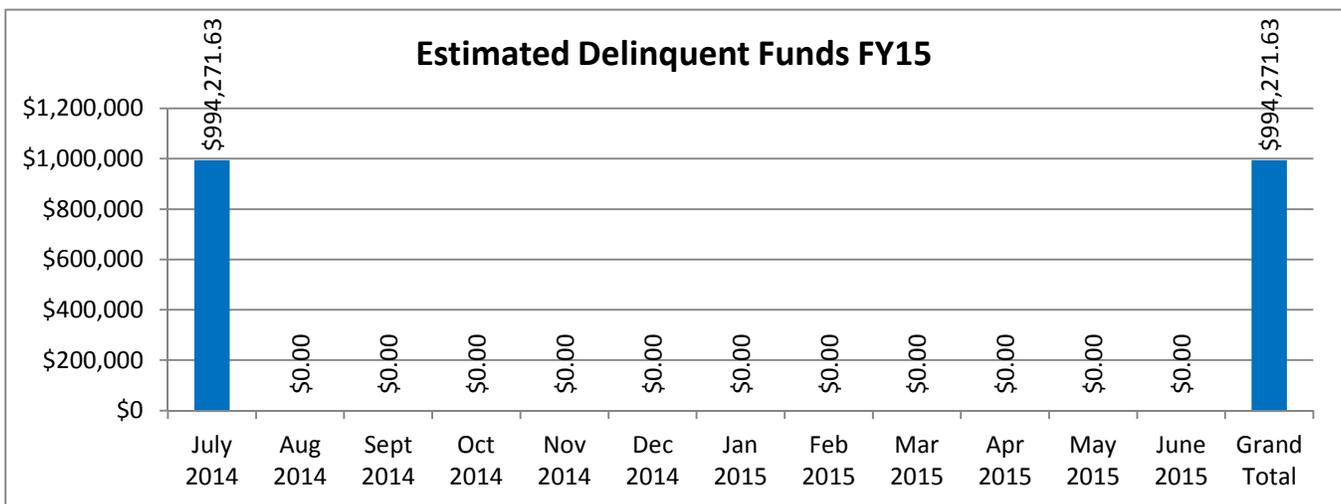
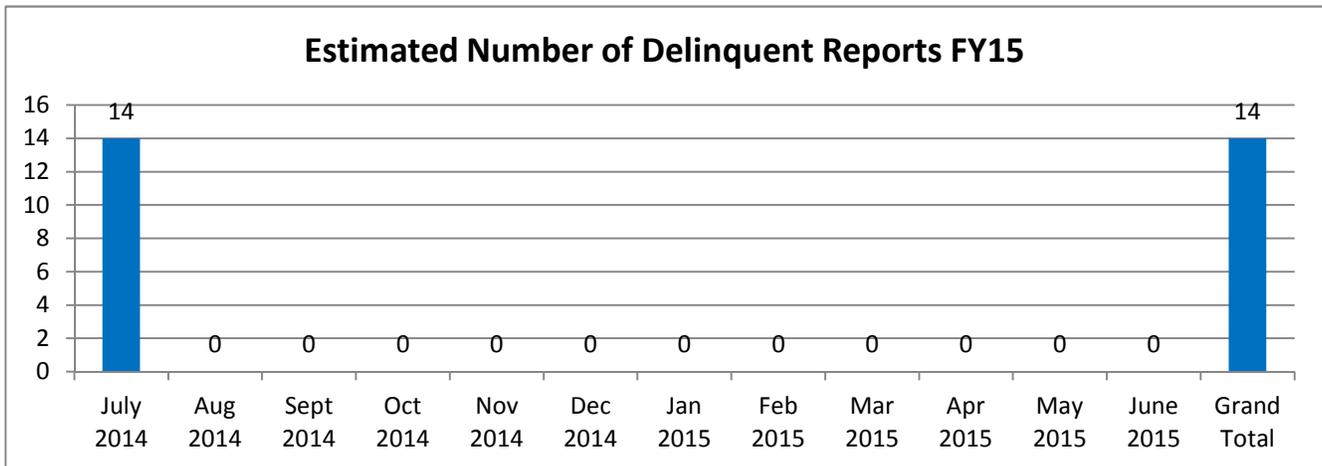
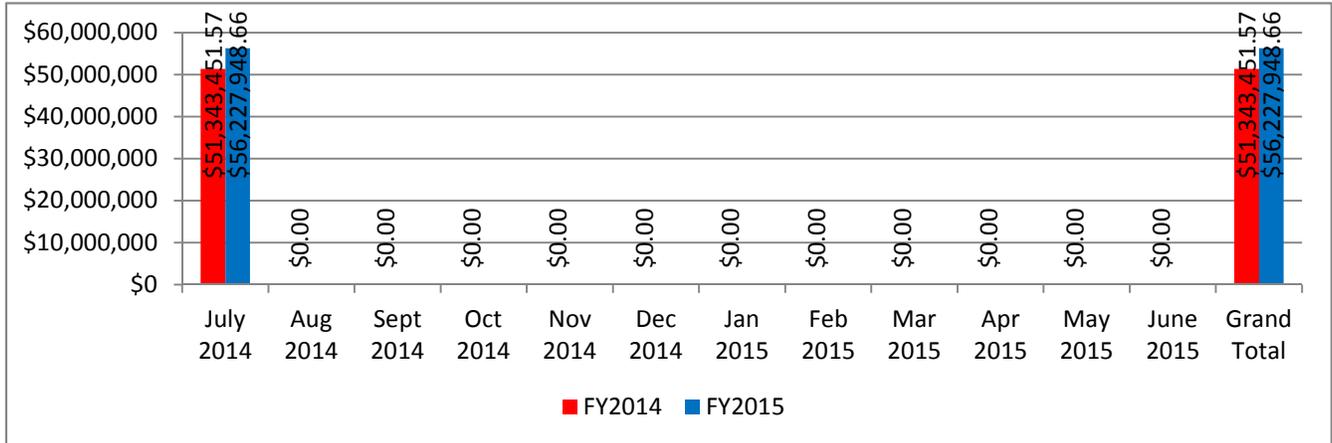
- 1) The education loan must have been incurred (a) prior to employment with TRS or (b) after employment with TRS so long as it is directly related to employment and repayment is legally required over a period of more than one year.
- 2) Full time employees with at least one year of service with the agency are eligible to participate.
- 3) Payments will be made directly to the lending institution; no payments are made to the employee.
- 4) The agency will make direct payment not to exceed \$5,000 in any 12-month period and the cumulative total reimbursement cannot exceed \$15,000 for any single employee.
- 5) Loan reimbursement is subject to state and federal income taxes.
- 6) Applications may be approved or denied contingent upon available funding.

NEW HIRES, RESIGNATIONS OR RETIREMENTS PENDING

- Retirement Planning Consultant (audit) – internal applicant – eff. 09/29/2014 (Oct 2014 report)

Employer Reporting Analysis of Employee and Employer Contributions Received

Comparison of Contributions Received For One Month Ended July 31, 2013 and July 31, 2014





BALANCE SHEET
AUGUST 31, 2014

<u>CURRENT ASSETS:</u>	
Cash Not Available For Investment	\$12,191,071.54
Equities (At Market Value)	10,969,600,768.85
Fixed Income (At Market Value)	2,881,709,887.21
Short-Term Investment Account	373,926,416.38
Due From/(To) Broker	(119,639,220.06)
Accounts Receivable Installment Payments	1,237,028.93
Prepaid Retirement Benefits	76,681,138.43
Accrued Income	<u>50,165,950.63</u>
Total Current Assets	14,245,873,041.91
<u>CAPITAL ASSETS:</u>	
Office Furniture and Equipment	3,098,149.51
Accumulated Depreciation	<u>(249,578.54)</u>
TOTAL ASSETS	<u>\$14,248,721,612.88</u>

<u>CURRENT LIABILITIES:</u>	
Teachers' Savings Fund	\$4,332,708,520.07
Retirement Benefit Fund	9,678,670,662.58
Interest Fund	122,199,314.66
Expense Fund	75,590,338.81
Suspense Fund	<u>36,244,929.53</u>
Total Current Liabilities	14,245,413,765.65
TRR Capital Investment	<u>3,307,847.23</u>
TOTAL LIABILITIES AND CAPITAL INVESTMENT	<u>\$14,248,721,612.88</u>

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
FOR THE TWO MONTHS ENDED AUGUST 31

	<u>Year to Date</u> (FY 2015)	<u>Year to Date</u> (FY 2014)	<u>% Change</u>
Balance of Cash and Investments Net Position, Beginning of Year	\$14,201,669,559.43	\$11,817,761,245.40	
<u>RECEIPTS:</u>			
Members' Deposits	37,845,749.48	32,824,463.11	15.30%
Employer Contributions	55,432,823.49	47,761,333.97	16.06%
State Credits	5,878,053.00	5,885,230.00	-0.12%
Reimbursed Administrative	210.00	81,503.71	-99.74%
Matching Funds from Schools	3,359,008.29	3,305,492.89	1.62%
Lottery Revenue	630,865.00	718,703.00	-12.22%
Cigarette Sales Tax Revenue	272,417.03	277,557.68	-1.85%
Dedicated Revenue	55,205,385.23	<u>50,569,677.53</u>	9.17%
Total Retirement Receipts	<u>158,624,511.52</u>	<u>141,423,961.89</u>	12.16%
Interest Income (Fixed Income and Short-Term)	21,172,726.59	20,898,611.01	1.31%
Dividend Income	40,336,231.41	35,327,628.38	14.18%
Net Realized Gain/(Loss)	139,324,963.50	140,589,802.57	-0.90%
Net Unrealized Gain/(Loss)	(80,106,772.16)	93,223,895.71	-185.93%
Investment Operations Income:			
Class Action Lawsuit Proceeds	0.00	0.00	0.00%
Other Income	43,505.25	17,684.00	146.01%
Securities Lending Income	1,428,660.07	1,432,274.60	-0.25%
Total Investment Income	<u>122,199,314.66</u>	<u>291,489,896.27</u>	-58.08%
TOTAL RECEIPTS	280,823,826.18	432,913,858.16	-35.13%
<u>DISBURSEMENTS:</u>			
Retirement Benefits	201,835,075.04	195,213,857.50	3.39%
Insurance Premiums Paid for Retirees	5,013,141.00	4,947,262.00	1.33%
Death Benefits	3,948,103.48	3,068,985.25	28.65%
Withdrawals of Accounts	4,838,426.99	4,802,368.83	0.75%
Total Benefit Payments	<u>215,634,746.51</u>	<u>208,032,473.58</u>	3.65%
Administrative Expense:			
General Operations	861,377.43	862,612.47	-0.14%
Investment Expense	13,182,963.30	9,375,540.49	40.61%
Total Administrative Expenses	<u>14,044,340.73</u>	<u>10,238,152.96</u>	37.18%
TOTAL DISBURSEMENTS	<u>229,679,087.24</u>	<u>218,270,626.54</u>	5.23%
NET INCREASE/(NET DECREASE)	<u>51,144,738.94</u>	<u>214,643,231.62</u>	-76.17%
Balance of Cash and Investments, August 31	<u>\$14,252,814,298.37</u>	<u>\$12,032,404,477.02</u>	



SCHEDULE I
Comparison of Actual Expenditures Fiscal Year 2014 and Fiscal Year 2015
2 Month Year to Date Comparison

Object of Expenditure	FY-2014 YTD Actual Expenditures 8/31/2014	FY-2015 YTD Actual Expenditures 8/31/2015	Increase (Decrease) Amount	Increase (Decrease) Percentage
Personal Services				
Salary and Longevity Pay Expenses	337,721	269,095	(68,626)	-20.3%
Taxes, Benefits, and Other Expenses	147,596	137,787	(9,808)	-6.6%
Subtotal Personal Services	485,316	406,882	(78,434)	-16.2%
Professional Services				
Investment Manager Expenses	150,189	0	(150,189)	-100.0%
Investment Consultant Expenses	117,000	58,500	(58,500)	-50.0%
Investment Custodian Expenses	0	0	0	0.0%
Pension Commission Expenses	0	0	0	0.0%
Subtotal Investment Expenses	267,189	58,500	(208,689)	-78.1%
Legal Services - Special Projects	0	0	0	0.0%
Legal Services - Attorney General	10,164	0	(10,164)	-100.0%
Administrative Hearings	0	0	0	0.0%
Auditing Services	5,592	1,404	(4,188)	-74.9%
Actuarial Services	0	0	0	0.0%
Medical Hearings	1,200	1,500	300	25.0%
Management Consultant	5,333	0	(5,333)	-100.0%
Marketing Consultant	3,694	0	(3,694)	-100.0%
Miscellaneous Services	584	532	(52)	-8.9%
Subtotal Professional Services	26,568	3,436	(23,132)	-87.1%
Total Professional Services	293,757	61,936	(231,821)	-78.9%
Travel and Per Diem Expenses				
Non-Employee Travel Expenses	5,093	6,279	1,186	23.3%
Employee Training	350	1,410	1,060	302.9%
Employee Travel Expenses	2,276	81	(2,195)	-96.5%
Subtotal Travel and Per Diem Expenses	7,719	7,770	51	0.7%
Administrative Expenses				
Postage	3,827	78,750	74,923	1957.9%
Telecommunications Services	1,292	433	(859)	-66.5%
Printing and Binding Contracts	199	127	(72)	-36.1%
Informational Services	6,281	6,264	(17)	-0.3%
Rent and Maintenance	33,129	26,391	(6,739)	-20.3%
Office Supplies	3,036	1,354	(1,682)	-55.4%
Buildings and Other Structures Construction and Renovation	0	0	0	0.0%
Miscellaneous Administrative Expenses	3,043	1,318	(1,725)	-56.7%
Subtotal Administrative Expenses	50,807	114,636	63,830	125.6%
Data Processing Expenses				
Professional Services	96,788	66,900	(29,888)	-30.9%
Rent and Maintenance	0	0	0	0.0%
Office Supplies	0	0	0	0.0%
Equipment -Telecommunications	0	0	0	0.0%
Subtotal Data Processing Expenses	96,788	66,900	(29,888)	0.0%
Total Expenses	934,387	658,124	(276,263)	-29.6%
Total Investment Expenses Only	267,189	58,500	(208,689)	-78.1%
Total Data Processing Expenses Only	96,788	66,900	(29,888)	0.0%
Total except Investment & Data Processing Expenses	570,409	532,724	(37,686)	-6.6%



**SCHEDULE II
Comparison of FY2015 Budget to Actual Expenses
2 Months ended August 31, 2014 Year to Date Comparison**

Object of Expenditure	2 Month FY-2015 YTD Budget	2 Month FY-2015 YTD Actual	Over (Under) Amount	Over (Under) Percentage
Personal Services				
Salary and Longevity Pay Expenses	404,312	269,095	(135,217)	-33.4%
Taxes, Benefits, and Other Expenses	215,694	137,787	(77,907)	-36.1%
Subtotal Personal Services	620,006	406,882	(213,124)	-34.4%
Professional Services				
Investment Manager Expenses	0	0	0	0.0%
Investment Consultant Expenses	117,000	58,500	(58,500)	-50.0%
Investment Custodian Expenses	0	0	0	0.0%
Pension Commission Expenses	0	0	0	0.0%
Subtotal Investment Expenses	117,000	58,500	(58,500)	-50.0%
Legal Services - Special Projects	1,400	0	(1,400)	-100.0%
Legal Services - Attorney General	1,250	0	(1,250)	-100.0%
Administrative Hearings	830	0	(830)	-100.0%
Auditing Services	43,000	1,404	(41,596)	-96.7%
Actuarial Services	0	0	0	0.0%
Medical Hearings	2,570	1,500	(1,070)	-41.6%
Management Consultant	0	0	0	0.0%
Marketing Consultant	0	0	0	0.0%
Miscellaneous Services	9,816	532	(9,284)	-94.6%
Subtotal Professional Services	58,866	3,436	(55,430)	-94.2%
Total Professional Services	175,866	61,936	(113,930)	-64.8%
Travel and Per Diem Expenses				
Non-Employee Travel Expenses	8,600	6,279	(2,321)	-27.0%
Employee Training	4,330	1,410	(2,920)	-67.4%
Employee Travel Expenses	13,146	81	(13,065)	-99.4%
Subtotal Travel and Per Diem Expenses	26,076	7,770	(18,306)	-70.2%
Administrative Expenses				
Postage	42,500	78,750	36,250	85.3%
Telecommunications Services	6,666	433	(6,233)	-93.5%
Printing and Binding Contracts	21,958	127	(21,831)	-99.4%
Informational Services	6,213	6,264	51	0.8%
Rent and Maintenance	38,562	26,391	(12,171)	-31.6%
Office Supplies	7,749	1,354	(6,395)	-82.5%
Equipment	5,585	0	(5,585)	-100.0%
Buildings-Purch, Construction Repairs	0	0	0	0.0%
Miscellaneous Administrative Expenses	8,939	1,318	(7,621)	-85.3%
Subtotal Administrative Expenses	138,172	114,637	(23,535)	-17.0%
Data Processing Expenses				
Professional Services	163,410	66,900	(96,510)	-59.1%
Travel and Per Diem Expenses	0	0	0	0.0%
Rent and Maintenance	750	0	(750)	-100.0%
Office Supplies	416	0	(416)	-100.0%
Equipment - Telecommunications	3,000	0	(3,000)	-100.0%
Miscellaneous Administrative Expenses	0	0	0	0.0%
Subtotal Data Processing Expenses	167,576	66,900	(100,676)	-60.1%
Total Expenses	1,127,696	658,125	(469,571)	-41.6%
Total Investment Expenses Only	117,000	58,500	(58,500)	-50.0%
Total Data Processing Expenses Only	167,576	66,900	(100,676)	-60.1%
Total except Investment and Data Processing Expenses	843,120	532,725	(310,395)	-36.8%



Miscellaneous Professional Services Expenses

	Budget	Expenses	Expenses
	<u>2015</u>	<u>2015</u>	<u>2014</u>
Background Checks	0.00	38.00	0.00
Document Destruction	0.00	0.00	184.28
Security	1,466.00	0.00	0.00
Business Service Center	1,400.00	493.82	399.80
Computer Professional Services	6,950.00	0.00	0.00
	<u>\$9,816.00</u>	<u>\$531.82</u>	<u>\$584.08</u>

Miscellaneous Administrative Expenses

	Budget	Expenses	Expenses
	<u>2015</u>	<u>2015</u>	<u>2014</u>
Bank Service Charges	1,240.00	631.25	602.03
ERP Systems -PeopleSoft	544.00	0.00	265.50
Licenses, Permits, Certificates and Other Rights	0.00	475.00	200.00
Membership in Organizations	3,295.00	50.00	1,975.00
Advertising	860.00	0.00	0.00
Property and Liability Insurance	3,000.00	0.00	0.00
Miscellaneous Administrative Expenses	0.00	161.42	0.00
	<u>\$8,939.00</u>	<u>\$1,317.67</u>	<u>\$3,042.53</u>



**RECEIPTS AND CLAIMS FOR AUTHORIZED EXPENDITURES
AUGUST 31, 2014**

Expenses of Board

Trustee	NY due diligence, travel and meal	\$ 1,124.70
Trustee	NY due diligence, travel and meal	1,124.70
Trustee	NY due diligence, travel and meal	1,124.70
Trustee	NY due diligence, travel and meal	1,124.70
Trustee	NCTR conference	1,000.00
		\$ 5,498.80

Travel of Employees

Comptroller	Public Pension Financial Forum	\$ 475.00
Director of Client Services	Seminar site visit	80.64
		\$ 555.64

Communications

Ala Carte Courier Services	Courier service	\$ 101.70
AT&T	Wireless, OneNet charges	433.08
Cox Communications	Cable charges	43.40
FedEx	Freight	8.83
JP Morgan Chase Bank, NA	Account analysis - July	631.25
Office of Management and Enterprise Services	Telecommunications, transaction fees	265.50
Oakstone Publishing	Subscription	220.32
Thomson West TCD	Informational service	39.00
		\$ 1,743.08



**RECEIPTS AND CLAIMS FOR AUTHORIZED EXPENDITURES
AUGUST 31, 2014**

Contingency, Maintenance, Insurance, Rent, Etc.

Precision Document Solution	Printer maintenance	\$	335.84
CFA Institute	CFA materials and examination		1,410.00
Department of Education	Building security (March to June 2014)		2,773.35
IRS	Interest on 945 taxes		161.42
OPHRA	Membership - Human Resources Director		50.00
Extreme Beans Coffee Service	Kitchen supplies		381.50
First Aid Express	Safety supplies		98.50
Summit	Maintenance, letter opener		111.25
Office of Management and Enterprise Services	Office rent - August		13,195.27
Oklahoma State Bureau of Investigations	Background checks		38.00
Standley Systems, LLC	Copier lease		3,320.81
Department of Libraries	Records storage		511.20
Staples	Office supplies		839.85
Zios Italian Kitchen	Catering - board meeting		266.92
Zios Italian Kitchen	Catering - employee recognition luncheon		275.94
		\$	<u>23,769.85</u>

Investment Expenditures

Advisory Research Inc	Investment management fees second quarter	\$	1,190,163.44
Bloomberg Financial Markets	Terminal usage		6,000.00
GTA	Trade analysis fees second quarter		6,750.00
Causeway Capital	Investment management fees second quarter		449,284.15
Cushing Asset Management	Investment management fees second quarter		466,748.51
Geneve Capital Management	Investment management fees second quarter		328,766.00
JP Morgan Chase Bank, NA	Quarterly Bank Fees		46,495.33
Hotchkis and Wiley Capital Management LLC	Investment management fees second quarter		1,078,619.71
Loomis Sayles & Company LP	Investment management fees second quarter		543,273.21
State Street Global Advisors	Investment management fees second quarter		35,613.94
Gregory W Group	August 2014 consulting fee		58,500.00
MacKay Shields LLC	Investment management fees second quarter		611,826.80
Thornburg Investment Management	Investment management fees second quarter		601,979.67
		\$	<u>5,424,020.76</u>



**RECEIPTS AND CLAIMS FOR AUTHORIZED EXPENDITURES
AUGUST 31, 2014**

Professional Services, Workers Comp Insurance

State Auditor and Inspector	Pension Commission support	\$ 20,108.75
Payton Osborne MD	August 2014 medical board	300.00
George R Jay MD	August 2014 medical board	300.00
MY Consulting Inc	ALICE development	66,900.00
Office of Management and Enterprise Services	Interagency mail/postage	4,269.36
Office of Management and Enterprise Services	Server support, disk storage & network support	4,822.88
Stinnett & Associates LLC	Audit Fees - July	1,404.00
United States Postal Service	Deposit bulk mail	75,000.00
The Meadows	Document destruction	180.00
		<u>173,284.99</u>
		\$ 173,284.99

Salaries and Fringe Benefits

Salaries	Administrative department	\$ 16,666.67
Salaries	Finance/Accounting department	28,911.01
Salaries	Client Services department	76,366.67
Salaries	Investment department	4,666.67
Termination Payroll	Client Services department	706.86
Longevity Payroll		3,300.00
Excess Benefit Allowance		3,555.85
FICA/MQFE	Social Security and Medicare	10,229.85
Oklahoma State Deferred Savings Incentive Plan	Savings incentive plan and administrative fee	796.50
Oklahoma Group Insurance	Employee health, dental life	28,401.14
Teachers' Retirement System of Oklahoma	Employees retirement contributions	28,851.77
Unemployment compensation	Unemployment for Agency payroll	167.88
		<u>202,620.87</u>
		\$ 202,620.87
 Grand Total		 <u><u>\$ 5,831,493.99</u></u>