

CITY OF NORMAN
EMPLOYEES RETIREMENT SYSTEM
BOARD OF TRUSTEES MEETING
HUMAN RESOURCES CONFERENCE ROOM
201 West Gray, Building C
3:00 pm
January 31, 2013

A meeting of the Trustees of the City of Norman Employees Retirement System was held on Thursday, January 31, 2013, in the Study Session Room at 201 West Gray, Norman, Oklahoma. The meeting was called to order at 3:07 p.m.

PRESENT: Trustees Andros, Hicks, Tarver, Terry, and Chair Francisco

ABSENT: Trustee Spaulding

OTHERS PRESENT Jennifer Pfaff, Managing Director, Fidelity Investments
Dallas Denby, Investment Consultant, Fidelity Investments
Mindy Aynes, Municipal Accountant I
Gary Loeffelholz, NERS member

Chair Francisco called the roll and declared there was a quorum.

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ITEM 2 being

APPROVAL OF MINUTES – October 18, 2012

Trustee Terry moved for approval of the minutes of the meeting of October 18, 2012, which was duly seconded by Trustee Tarver;

And the question being approval of the minutes of the meeting of October 18, 2012, vote was taken with the following results:

AYES: Trustees Andros, Hicks, Tarver, Terry, and Chair Francisco

NAYES: None

Chair Francisco declared the motion carried and the minutes of the meeting of October 18, 2012, approved.

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ITEM 3 being

PLAN INVESTMENT MANAGER'S REPORT – FIDELITY INVESTMENTS

Jennifer Pfaff, Managing Director with Fidelity Investments, and Dallas Denby, Investment Consultant with Fidelity Investments, presented and reviewed in detail the City of Norman: Strategic Discussion, dated January 31, 2013. Main discussion items were Financial Markets Review, Asset Allocation, Fund Analysis, and Plan/Participant Review. Your Retirement Plan in 2012: Strategic Discussion, dated January 31, 2013, a complete study of the 2012 year and the investments and returns of the NERS 401(k) Plan was also presented and discussed in detail.

Mr. Denby explained the differences between “growth” (focuses less on current stock price and more on potential future increase in stock price) and “value” (inexpensive current stock price relative to the value of the company). He also explained “Large Cap Stock” meaning the company size and value; and “market capitalization” meaning the size of the company, measured in the total value of the outstanding stock (stock price times the number of outstanding shares).

Fidelity Freedom Funds K is different to the regular Freedom Fidelity Funds. K Funds have 4 assets benchmark: Domestic Equity, International Equity, Fixed Income, and Money Market funds. The Income Fund may perform well for certain investors because it is more conservative. It is more of an income fund rather than an investment fund. Fidelity is very comfortable with this fund as it is.

Trustee Tarver moved for approval of the Plan Investment Manager's Report, which was duly seconded by Trustee Andros;

And the question for approval of the Plan Investment Manager's Report, vote was taken with the following results:

AYES: Trustees Andros, Hicks, Tarver, Terry, and Chair Francisco

NAYES: None

Chair Francisco declared the motion carried and the Plan Investment Manager's Report approved.

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ITEM 4 being

NERS MEMBER LOAN DEFAULT REQUEST

Two current members of the Norman Employees Retirement System have asked the Board of Trustees for approval to default on their individual loan(s) they have with Fidelity Investments. The consequences have been explained to the two individuals regarding taxes and the remainder of their retirement.

Trustee Tarver moved to grant request of NERS member to default on loan, withdrawing funds from their retirement account, seconded by Trustee Terry;

And the question being to grant request of NERS member to default on loan, withdrawing funds from their retirement account, vote was taken with the following results:

AYES: Trustees Andros, Hicks, Tarver, and Terry

NAYES: Trustee Francisco

Chair Francisco declared the motion carried to grant request of NERS member to default on loan, withdrawing funds from their retirement account.

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ITEM 5 being

NERS MEMBER LOAN DEFAULT REQUEST

Trustee Tarver moved to grant request of NERS member to default on loan, withdrawing funds from their retirement account, seconded by Trustee Terry;

And the question being to grant request of NERS member to default on loan, withdrawing funds from their retirement account, vote was taken with the following results:

AYES: Trustees Andros, Hicks, Tarver, and Terry

NAYES: Trustee Francisco

Chair Francisco declared the motion carried to grant request of NERS member to default on loan, withdrawing funds from their retirement account.

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ITEM 6.

MISCELLANEOUS

Consensus of the Trustees to discuss at a future meeting of the Board of the NERS Plan provisions related to QDRO orders and award of funds prior to employee termination.

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ITEM 7 being

ADJOURNMENT

Trustee Terry moved to adjourn the meeting, which was duly seconded by Trustee Hicks; and the question being to adjourn the meeting, vote was taken with the following results:

AYES: Trustees Andros, Hicks, Tarver, Terry, and Chair Francisco

NAYES: None

Chair Francisco declared the motion carried. Meeting adjourned at 4:25 p.m.