

MINUTES
BOARD OF TRUSTEES
OKLAHOMA MUNICIPAL RETIREMENT FUND
May 27, 2021

1. Call To Order

The Board of the Oklahoma Municipal Retirement Fund met at Oklahoma Municipal Retirement Fund Offices, Oklahoma City, Oklahoma, on May 27, 2021, at 10:03 a.m. with Chair Doolen presiding. On roll call, the following members were present:

BOARD OF TRUSTEES

Chair: Donna Doolen, Finance Director, City of Ada (*via telephone*)
Vice-Chair: Robert Johnston, City Manager, City of Clinton
Treasurer: Jim Lockett, Jr., Retiree, City of Thomas
Secretary: Robert Park, Retiree, City of Sallisaw
Members: Joe Don Dunham, City Manager, City of Guymon
Tamera Johnson, Retiree, City of Shawnee (*via video*)
Melissa Reames, Deputy City Manager & Chief Financial Officer, City of Stillwater (*via video*)
Ed Tinker, Retiree, City of Glenpool (*via telephone*)

OTHERS PRESENT:

OkMRF Staff: Jodi Cox, CEO & Director
Chris Whatley, Plan Advisor & Portfolio Strategist
Rhnea Stewart, Fund Accountant (*via telephone*)
Katie Girardi, Plan Administrator (*via video*)

Others: Kevin Moore, ACG (*via video*)
Haley Rives, ACG (*via video*)
Dan Bledsoe, Finley & Cook (*via video*)
Katie Warmington, Amundi (*via video*)
Brad Komenda, Amundi (*via video*)
Kathryn Rowell, Amundi (*via video*)
Matt McCue, Financial News (*via video*)
Unknown Participant (*via telephone +64 2 854-0441*)

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

Doolen welcomed everyone and called the meeting to order.

NOTICE: The agenda for the May 27, 2021 meeting was posted in Columbus Square, Oklahoma City, Oklahoma, by Gloria Cudjoe by 10:00 a.m. on May 26, 2021.



Signature(s)

2. Approval of Consent Agenda

The following items were presented under the consent agenda.

A. Minutes of April 30, 2021 Meeting(s)

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

Option	Value By Fund
Defined Benefit	\$ 735,818,694.32
International Investment Equity	\$ 10,025,039.34
Aggressive Equity	\$ 23,510,508.76
Real Assets Fund	\$ 473,209.81
ESG US Stock Fund	\$ 1,217,339.94
Global Equity	\$ 10,747,153.45
Growth and Value Equity	\$ 27,350,163.77
S & P 500 Index	\$ 37,508,578.65
Target Retirement 2065	\$ 145,791.85
Target Retirement 2060	\$ 5,120,944.99
Target Retirement 2055	\$ 7,132,468.09
Target Retirement 2050	\$ 12,150,768.34
Target Retirement 2045	\$ 15,489,598.20
Target Retirement 2040	\$ 20,476,618.53
Target Retirement 2035	\$ 27,885,562.96
Target Retirement 2030	\$ 31,951,908.80
Target Retirement 2025	\$ 46,180,539.55
Target Retirement 2020	\$ 34,143,035.88
Target Retirement Income	\$ 23,184,332.79
Total Yield Bond Fund	\$ 6,655,513.94
Bond Index	\$ 16,596,878.49
Voya Fixed Plus III	\$ 41,721,853.67
Loan Portfolio	\$ 8,165,698.52
Self Directed Brokerage	\$ 234,599.68
Total Assets	\$ 1,143,886,802.32

C. Purchases and Sales of Assets

D. Administrative Expenses and Fees

Expenses and Fees for May

Actuary & Recordkeeping	\$ 53,082.67
Administration	92,405.57
Attorney	4,250.00
Audit	23,500.00
Board Travel	1,348.44
Employer Directed Expense	9,520.00
Insurance	0.00
Investment Advisors	0.00
Custodial	14,202.41
Investment Consultant	0.00
Public Relations	1,424.15
Representative Travel	1,228.02
EXPENSES	\$ 200,961.26

E. Benefit Payments and Contribution Refunds

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

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

NAY: None

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

No action taken.

4. Comments from the Public

None.

5. Finley & Cook: Consideration and Possible Action Regarding the Receipt of the June 30, 2020, Defined Benefit Examination Report Over Selected Management Assertions Related to Census Data and Rejection or Approval of any Amendments Proposed and Considered by the Trustees at the Meeting

Bledsoe reviewed report and stated no exceptions or variances exceeding 5.0% were found related to census data. The opinion was issued that the agreed upon assertions of census data are fairly stated in all material aspects and can be relied on by employers of the OkMRF Defined Benefit plans for their GASB 68 reporting requirements.

Motion made by Reames, seconded by Park to receive the Report.

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

NAY: None

6. **Finley & Cook: Consideration and Possible Action Regarding the Receipt of the June 30, 2020, Defined Benefit Schedule of Changes in Fiduciary Net Position by Employer and Rejection or Approval of any Amendments Proposed and Considered by the Trustees at the Meeting**

Additionally, Bledsoe reported the opinion was issued based on audit evidence obtained and the Schedule presents fairly and in all material aspects, the Fiduciary Net Position of OkMRF and each individual employer in accordance with GAAP.

Cox commended Finley & Cook, Stewart, and Porter for completing the entire audit remotely. Bledsoe agreed Staff was able to accommodate audit requests without any complications.

Motion made by Reames, seconded by Park to receive the Schedule.

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

NAY: None

7. **Amundi Pioneer: Annual Update from Investment Managers – Katie Warmington and Brad Komenda**

Warmington began presentation by providing a firm overview. As of January 1, 2021, the transition from Amundi Pioneer to Amundi U.S. has been completed. Warmington confirmed no changes in personnel, process, or structure, and the transition combined a full global process with over \$2 trillion in assets. As of March 31, 2021, Warmington provided updates on recent personnel changes.

Warmington continued presentation with an overview of Amundi's cybersecurity strategy. Amundi operates with 16 dedicated employees, both internally and externally, to provide coverage of multiple time zones of cybersecurity. Per Warmington, they are unaware of any security breaches to their system and confirmed any breaches would be communicated to clients.

Komeda provided an outlook and portfolio positioning update. The combination of the pandemic, work from home shift and people not spending money has caused an excess of global savings. Most of the excess savings has come from the government in upwards of \$12 trillion, but many Americans who received stimulus checks were gainfully employed and funds went directly to their savings accounts. Many Americans curtailed their spending during the past year, but reports show consumer spending back to pre-pandemic levels. The multi-sector portfolio has been positioned to take advantage of Covid impacted sectors, such as airlines, and increased its average quality rating to BBB+. One (1) year return was reported as 14.64% as of April 30th, outperforming the benchmark by almost 13.0%. Komeda projected for the Fed to slowly increase rates to navigate inflation expectations as early as next year and in to 2023.

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

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

Rives provided an overview of the DB portfolio noting over \$738 million in assets and a ten (10) year annualized return of 9.22%. The broad asset allocations continue to be within the allowable 5.0% deviation from target allocations. Performance continues to be strong across all time horizons. Due to the long bull market cycle, total portfolio returns are up over 33.0% for the past year and outperforming the policy index by 466 bps. Absolute performance has been driven by equities, while relative performance has come from the fixed income sleeve of the portfolio, with all strategies working in tandem.

Equities have seen a shift of strong performance from six (6) months ago, as small-cap begins to outperform large-cap and value outperforms growth. Rives noted this shift being apparent in River Road's value-added portfolio relative to TimesSquare's growth strategy. As the economy continues to recover sectors such as financials and energy will be a driver of performance rather than technology sectors. Non-U.S. equities continue to be additive to the portfolio but has seen challenges over the past year with developed markets driving performance. Not often is Fixed Income highlighted as strength in the portfolio, but with Amundi and BlackRock's opportunistic strategy and ability to invest in different sectors and using credit quality to mitigate risk, one (1) year returns have outperformed the benchmark by over 400 bps. Real Estate provided a healthy return fiscal year-to-date of almost 5.0% based on the portfolio's high-quality properties.

Rives mirrored comments of the DB portfolio within the DC portfolio, noting strong growth across U.S. large-cap equity markets, with a clear shift from growth to value in the Aggressive Equity option. The replacement of Fred Alger Capital to T. Rowe Price, as an underlying manager within the Growth and Value fund option, will take place on June 11th. Rives discussed the departure of three (3) team members at Calvert, manager of the ESG U.S. Stock Option, and noted it will be timely for their presentation at trustee retreat. Target Retirement Date funds continue to perform in-line with expectations.

B. **Consideration and Possible Action on Reallocation and/or Rebalancing of Assets Among Investment Managers as Recommended by the Investment Committee**

No action taken.

9. **Consideration and Possible Action Regarding Administrative Committee Report**

A. **Consideration of Adoption or Rejection of the 2021-2022 Budget as Recommended by the Administrative Committee and Rejection or Approval of any Amendments Proposed or Considered by the Trustees at the Meeting**

Chairman of the Administrative Committee, Johnston virtually met with Cox and respective committee members to review in detail the proposed budget. Cox opened the discussion for questions regarding memo provided describing budget variances. Lockett commented that CEO's memo provided detailed explanations regarding increases or decreases. Cox stated that the proposed overall budget is increasing by 3.0% or \$92,317. There will be two budget amendments next month mostly due to an increase in assets as both Voya and directly paid money manager expenses are determined based on market value of assets. DB estimated administrative expenses decreased to 22 bps from 26 bps and DC estimated administrative expenses decreased to 25 bps from 32 bps. Also being proposed is the usage of \$90,000 of DC reserve balance to help offset DC Participant expenses. Lastly, Cox reviewed various charts illustrating the Trust's positive trends.

Motion made by Johnston, seconded by Dunham to approve 2021-2022 OkMRF Budget as recommended by the Administrative Committee.

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

NAY: None

10. Consideration and Possible Action Regarding Contract Committee Report

No action taken.

11. Receive Report on Newly Adopted or Amended OkMRF Member Plans

Whatley reported on plan changes for the OkMRF members.

12. OkMRF Staff Report

Girardi thanked Trustees for support during leave of absence.

Cox reported on the following items:

- Victory Integrity to present investment overview at next month's meeting.
- Both Chairman Doolen and Cox will sign representation letters on behalf of OkMRF for Finley & Cook.
- Trustee Retreat is scheduled to be held virtually on June 24th at 9:00 am.
- Trustee election notices for District 5 and 6 have been mailed. Both Rooney and Reames are up for re-election. Nominations will remain open through the end of business day on June 30th.
- Stillwater Medical Center (SMC) went out for RFP for a new retirement provider. Cox reminded Trustees SMC left OkMRF in 2016 for TIAA. OkMRF has submitted a joint response. OkMRF responded on the 401(a) solution with Voya (Deltra Hayes) bidding the 457(b) solution. Cox received a request for clarifications to be responded to by June 1st. SMC is hoping to make decision and put before Hospital Board by July 1st. SMC has about \$90M in assets within their 401(a) plan.
- Northern Trust due diligence will be conducted by the Contract Committee, Board Chair, Consultant and Staff and is scheduled to be held virtually on June 10th.
- Trustees are reminded to register themselves for OPFTEC and send registration to Cox. OkMRF will handle payment of conference/room.
- The Mayor's Conference is scheduled to be held in Lawton on June 23rd – 25th. Girardi to attend.
- The City Manager's Conference is scheduled to be held in Enid on July 21st – 23rd.

13. New Business


None.

14. Trustee/Member Comments

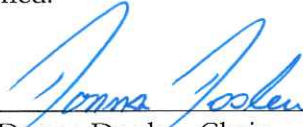
Luckett commented on the reduction of uncashed check balance now down to \$7k from \$80k at this time last year.

15. Adjourn

With no further business, the conduct meeting adjourned.



Robert Park, Secretary



Donna Doolen, Chair

Respectfully submitted by:



Katie Girardi