

**MINUTES**  
**SPECIAL MEETING OF THE BOARD OF TRUSTEES OF THE OKLAHOMA**  
**MUNICIPAL RETIREMENT FUND AND THE ADMINISTRATIVE COMMITTEE OF**  
**OKLAHOMA MUNICIPAL RETIREMENT FUND**  
**May 26, 2021**

**1. Call To Order**

The Administrative Committee met to conduct the Administrative Committee business of the Oklahoma Municipal Retirement Fund on May 26, 2021, at 11:02 a.m. with Administrative Chair Johnston presiding.

**BOARD OF TRUSTEES**

Administrative Committee:

Robert Johnston, City Manager, City of Clinton (*via telephone*)  
Donna Doolen, Finance Director-Treasurer, City of Ada (*via telephone*)  
Tamera Johnson, Retiree, City of Shawnee (*via telephone*)

**OTHERS PRESENT:**

OkMRF Staff: Jodi Cox, Executive Director/CEO

Others: Jim Luckett, Jr.

Administrative Committee Chair, Johnston extended a welcome to all in attendance and called the meeting to order.

**NOTICE:** The agenda for the May 26, 2021, meeting was posted in Columbus Square, Oklahoma City, Oklahoma by 11:00 a.m. on May 24, 2021, by Gloria Cudjoe.

  
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Signature

## 2. Review of 2021-2022 Budget

Cox described the various columns on the budget schedules. Each category was reviewed in detail and discussed as follows:

**Actuary & Recordkeeping:** Up \$60,600 main contributing factors for change:

- More anticipated PAS and DC programming needs from Dean Actuaries, LLC.
- Anticipated 7.25% growth on plan assets for DC recordkeeping even with a Voya fee decrease from 11 to 9 bps, OkMRF bases budget on current April 30, 2021, asset values. Today, DC assets hovered close to \$400M (all-time high) compared to last year's levels closer to \$300M.

**Administration:** Up \$28,000 main contributing factors for change:

- Health insurance up 2.0% for Member coverages (OkMRF pays 70% of premium).
- Proposed employer contribution rate of 17.75% to OkMRF DB plan rather than required 12.47%, results in approximately \$40,000 additional contributions to help pay off our unfunded actuarial liability (shortfall) of \$427,510.
- Proposed cyber security third-party review/audit expected higher cost than budgeted in PY.
- Lease payments according to lease agreement.
- Proposed Staff raises at CEO discretion and Staff merit.

**Attorney:** Up \$11,000 main contributing factor for change:

Increase to tax attorney due to DC restatement and DB plan filing for next six year cycle.

**Audit:** Up \$1,000, main contributing factor for change:

Per contract agreed to in February 2021 meeting.

**Board Travel:** Down \$7,500 main contributing factor for change:

Anticipate less expensive due diligence trip as it was cancelled last year due to travel ban and it has been rescheduled as a virtual event instead; therefore, no need to budget for four (4) trustees traveling to Chicago. This equates to savings and a positive budget impact.

**Custodial:** Down \$7,000 main contributing factor for change:

Decreased slightly as last year's budgeted amount was higher than needed; yet, still anticipated 7.25% asset growth and the number of DB distribution payments to increase.

**Employer Directed Expenses:** Down \$4,000 main contributing factor for change:

Costs outside normal OkMRF shared expenses covered by the retainer are expected to be less than prior year due to less Municipal requests anticipated this fiscal year (FY). Examples are: Split hire groups, early retirement windows, upgrades, etc., which call for special actuarial studies and/or legal opinions on complex plan provisions/rules.

Cox reminded the Committee that this is a flow through account for direct expenses charged by Dean Actuary and/or McAfee & Taft passed directly to the Member either by invoice or use of plan assets. This category has no budget impact.

**Insurance:** Up \$9,500 main contributing factor for change:

Excess fiduciary policy is anticipated to come in slightly higher next year as provider indicated they want to increase premium up to 60% of the primary fiduciary policy.

**Investment Advisors:** Up \$64,196 main contributing factor for change:

7.25% estimated asset growth again starting on higher asset values, we base our budget on current April 30, 2021, asset values. Today, DB assets were at \$715M (all-time high) compared to last year's levels closer to \$570M; there are only two (2) separately managed DB accounts. Cox reminded the Committee that indirect fees are paid inside the investment options which impact returns but does not directly impact OkMRF budget.

**Investment Consultant/ACG:** Up \$17,405 main contributing factor for change:

ACG has proposed to increase their fee retainer with a stage-in approach over the next three (3) years for FY 21-22 \$210,000, FY 22-23 \$225,000 and FY 23-24 \$240,000 then reverts to CPI only increases beginning FY 24-25, details have been discussed with the Administrative Committee and Contract Committee. Contract Committee will propose amendment next month.

**Public Relations:** Up \$2,500 main contributing factor for change:

Budgeting for professional Trustees and Staff pictures for our website.

**Representative Travel:** Down \$6,385 main contributing factor for change:

Anticipate less expensive due diligence trip as it was cancelled last year due to travel ban and it has been rescheduled as a virtual event instead so no need to budget for three (3) Staff traveling to Chicago. This equates to savings and a positive budget impact.

**Credit offset:** More by \$77,000 main contributing factors for change:

- Less expected on employer directed DB actuary and attorney reimbursements (flow through).
- Less interest earnings expected on DB deposit account. Residual operating cash on hand is invested in interest bearing vehicle with Northern Trust and the expectation is flat interest rates during FY 21-22.
- \$90,000 more in transfers from the DC reserve account. DC administrative expense/errors will be used to offset actual DC administrative expenses in upcoming FY, with none used in the prior year. Therefore, less fees will be deducted from the DC Participants' accounts, resulting in a decrease of 7 bps from 32 bps to 25 bps.

The DC Administrative Expense/Errors account was discussed. The Committee is comfortable with leaving approximately \$100,000 in reserves to help prepare for the new DC fee restructure implementation expected next FY.

In summary, overall budget is up by 3% or \$92,316. The budget as proposed, results in total administrative fees as a percent of total assets of 23.09 bps. Administrative fees by plan are 22.19 bps and 24.75 bps, for DB and DC plans, respectively.

Proposed budget including direct investment expenses, all in, for FY 21-22 is a total of \$3,221,641. For administrative expenses only the total budget proposed is \$2,544,565.

DC administrative fee proposed to decrease to 25 bps.

Estimated final expenses compared to actual is approximately \$101,675 under budget.

**3. Discuss and Develop Recommendation for Board Consideration and Possible Action Regarding Budget Adoption**

Administrative Committee agreed that budget was satisfactory, as presented. Doolen made a motion, seconded by Johnson to propose a recommendation to the Board to accept the proposed budget and usage of \$90,000 of DC reserves to offset DC expenses resulting in a decrease to 25 bps being charged for administrative fees to the DC accounts.

Johnston: Yes

Doolen: Yes

Johnson: Yes

**4. Review of Executive Director 2021-22 Goals and Objectives**

Cox distributed Executive Director/CEO goals for the upcoming fiscal year. Goals are outlined on three (3) primary focus categories: Trustees, Staff and Membership with underlying objectives and corresponding action plans.

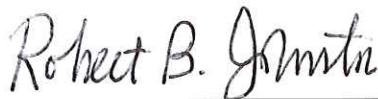
Committee had no recommended changes and asked CEO to make available to the entire Board, if desired.

**5. New Business**

No new business.

**6. Adjourn**

With no further discussion, Doolen declared the meeting adjourned at 12:17 p.m.



Robert Johnston, Administrative Chair



Donna Doolen, Chairman

Respectfully submitted by:

  
Jodi S. Cox, CEO/Executive Director