

**MINUTES**  
**BOARD OF TRUSTEES**  
**OKLAHOMA MUNICIPAL RETIREMENT FUND**  
**March 31, 2023**

1. **Call To Order**

The Board of the Oklahoma Municipal Retirement Fund met at the Oklahoma Municipal Retirement Fund Offices, Oklahoma City, Oklahoma, on March 31, 2023, at 10:00 a.m. with Chair Doolen presiding.

2. **Roll Call**

Chair Doolen requested Whatley take the roll call. A quorum was declared. On the roll call, the following members were present.

**BOARD OF TRUSTEES**

Chair: Donna Doolen, Retiree, City of Ada  
Vice-Chair: Robert Johnston, City Manager, City of Clinton  
Treasurer: Jim Luckett, Jr., Retiree, City of Thomas  
Secretary: Robert Park, Retiree, City of Sallisaw  
Members: Shaun Barnett, City Manager, City of Woodward  
Tamera Johnson, Retiree, City of Shawnee  
Melissa Reames, Deputy City Manager & Chief Financial Officer, City of Stillwater  
Tim Rooney, City Manager, City of Mustang  
Ed Tinker, Retiree, City of Glenpool

**OTHERS PRESENT:**

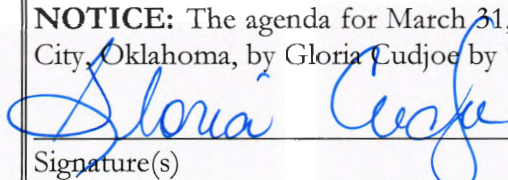
OkMRF Staff: Jodi Cox, CEO & Director  
Chris Whatley, Plan Advisor & Portfolio Strategist  
Rhnea Stewart, Fund Accountant  
Katie Girardi, Plan Administrator

OkMRF Attorney: David Davis

Others: Kevin Moore, ACG  
Mark Dreschler, WCM  
Daniel Wiechert, WCM  
Sean Sullivan, Dean Actuaries  
Troy Bradley, City of Midwest City (*via video*)  
Gar Chung, Financial Investment News (*via video*)  
Joe Ebisa, WithIntelligence (*via video*)

Whatley opened the meeting with prayer and Cox led the Pledge of Allegiance.  
Doolen welcomed everyone and called the meeting to order.

**NOTICE:** The agenda for March 31, 2023, meeting was posted in Columbus Square, Oklahoma City, Oklahoma, by Gloria Cudjoe by 10:00 a.m. on March 30, 2023.

  
Signature(s)

**3. Approval of Consent Agenda**

The following items were presented under the consent agenda.

**A. Minutes of February 23, 2023 and February 24, 2023 Meeting(s)**

**B. Monthly Valuation of Fund Assets & Unit Values by Custodian as of February 28, 2023**

Option	Value By Fund
Defined Benefit	\$ 663,884,642.81
International Investment Equity	\$ 8,137,090.16
Aggressive Equity	\$ 17,540,121.48
Real Assets Fund	\$ 911,336.68
ESG US Stock Fund	\$ 1,479,696.17
Global Equity	\$ 10,316,130.28
Growth and Value Equity	\$ 21,121,388.40
S & P 500 Index	\$ 32,757,723.89
Target Retirement 2065	\$ 167,057.57
Target Retirement 2060	\$ 7,313,406.08
Target Retirement 2055	\$ 7,790,723.86
Target Retirement 2050	\$ 12,176,592.89
Target Retirement 2045	\$ 15,301,235.99
Target Retirement 2040	\$ 19,826,082.93
Target Retirement 2035	\$ 25,709,966.49
Target Retirement 2030	\$ 29,270,179.55
Target Retirement 2025	\$ 37,205,153.57
Target Retirement 2020	\$ 23,351,861.87
Target Retirement Income	\$ 18,716,969.00
Total Yield Bond Fund	\$ 5,409,787.94
Bond Index	\$ 14,288,918.06
Voya Fixed Plus III	\$ 53,437,409.70
Loan Portfolio	\$ 7,270,762.87
Self Directed Brokerage	\$ 265,229.96
Total Assets	\$ 1,033,649,468.20

C. Purchases and Sales of Assets for February 2023

D. Administrative Expenses and Fees

Expenses and Fees for March

Actuary & Recordkeeping	\$ 42,948.57
Administration	105,495.05
Attorney	9,465.00
Audit	0.00
Board Travel	1,532.12
Employer Directed Expense	300.00
Insurance	137,661.00
Investment Advisors	0.00
Custodial	12,336.42
Investment Consultant	0.00
Public Relations	1,800.00
Representative Travel	<u>2,548.07</u>
EXPENSES	<u>\$ 314,086.23</u>

E. Benefit Payments and Contribution Refunds for February 2023

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

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

NAY: None

ABSTAIN: Reames

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

No action taken.

5. Comments from the Public

None.

6. **WCM: Annual Update from Investment Managers – Daniel Wiechert and Mark Dreschler**  
Dreschler, Portfolio Associate, and Wiechert, Client Portfolio Manager, introduced themselves. Wiechert began the presentation with an overview of the firm discussing their corporate culture environment, newly hired analysts for multiple strategies at the firm, and recent SEC regulation audit which produced zero deficiencies. Wiechert noted Pete Hunkel, one of five (5) Portfolio Managers for the strategy, will be retiring in the near future. Assets under management are approximately \$75 billion.

Wiechert discussed the additional challenges the international markets faced in 2022. WCM's strategy of investing in high-growth and high-quality companies created additional obstacles when value and low-quality companies were favored throughout 2022 and into the first quarter of 2023. Wiechert stated 2022 and 2016 have been the only two (2) years of significant underperformance for this strategy; yet its annualized return since inception has outperformed the benchmark more than 600 bps. Wiechert reiterated the strategy's "bread and butter" of compounding earnings over multiple years; however, down years are inevitable. The buys and sells were reviewed within the portfolio over the past quarter, stating the strategy's allocation will remain overweight in healthcare and technology and underweight in energy, commodities, and financials. Reames questioned bank holdings considering the recent bank failures. Wiechert confirmed their underweight in financials but discussed an opportunity of an India-based bank.

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

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

Moore began the discussion with an explanation of recent events surrounding the failure of Silicon Valley Bank (SVB) and Silvergate Bank. Silvergate Bank came under pressure due to its large investment in cryptocurrency. When cryptocurrency faced a crisis of confidence, the bank saw intense deposit outflow which caused them to sell bonds at a meaningful loss, wiping out a significant portion of shareholder equity. Ultimately, the bank plans to wind down its operations and liquidate its assets. SVB faced the same demise due to its depositor base being concentrated on technology clients and venture capitalists. As interest rates increased, spending dwindled, and outflow increased causing SVB to sell investments at a loss. As word spread, customers made a 'run on the bank' ultimately causing a bank failure. Regulators moved quickly in both cases to stabilize and contain the risk of multiple failures. Moore reviewed OkMRF's process of receiving deposits and sweeping them into a money market fund in an overnight process providing protection from any bank failures. Moore further confirmed Northern Trusts' diverse client base protects them from any concentration when a specific sector of the economy becomes under pressure.

Moore moved on to the review of the DB portfolio noting assets totaling over \$650 million with a ten (10) year annualized return of 7.3% while taking on less risk relative to the policy index. Despite selling pressures around the bank failures, all asset classes in March were in positive territory. Redemptions from the long/short portfolio continue to be received and will be redeployed to the private equity allocation when a capital call is received. Non-U.S. equities continue to overshadow domestic equities with fiscal year-to-date returns reporting 8.81% and 8.20%, net of fees, respectively. Moore commented on the SSgA S&P 500 Non-Lending Fund reiterating that OkMRF does not participate in securities lending due to the risk of potential loss from allowing underlying shares to be borrowed. Northern Trust did have minimal exposure to an international bank failure, Credit Suisse, due to participating in securities lending. Fixed-income managers continue to provide downside protection during challenging interest rate environments. Due to the lag in reporting, Real Estate returns are now reflecting the negative impact of rising interest rates in the real estate market. Moore noted JPMorgan

“marks” its strategies monthly while the benchmark marks quarterly. This reflects the underperformance for short-term time periods. JPMorgan will attend the April Board meeting to provide further insight.

Moore provided a brief overview of the DC portfolio noting select growth managers struggling in the short term as borrowing costs have continued to rise but maintaining outperformance in longer timeframes. All white-label equity fund managers and Target Retirement Date funds are performing in line with expectations.

**B. ACG: Consideration & Possible Action Regarding DB and DC Investment Policy & Guidelines as Recommended by the Investment Committee and Rejection or Approval of any Amendments Proposed and Considered by the Trustees at the Meeting**

Moore presented changes in both policies. Amendments to the DB documents were related to the consistency of terms throughout, updated asset allocation and benchmarks, and the addition of Trustee interaction with actuary, ACG’s ongoing investment due diligence, safekeeping of assets on Northern Trust, liquid absolute return performance expectation, private equity guidelines and expectations, and money managers being subject to Oklahoma Open Records law. Amendments to the DC documents were related to the consistency of terms throughout, the addition of new money managers, Axiom Partners and William Blair, and benchmark updates for the Aggressive Equity option and BlackRock.

Motion made by Lockett, seconded by Park to approve the amendments to the Statement of Investment Policy, Guidelines, and Objectives for both DB and DC as recommended by ACG.

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

NAY: None

**C. ACG: Consideration and Possible Approval of Warburg Pincus Global Growth 14 Subscription Agreement, Principal Information Questionnaire, Common Reporting Standards Self-Certification, and Related Documents prepared for the DB Implementation as Recommended by the Investment Committee and Rejection or Approval of any Amendments Proposed and Considered by the Trustees at the Meeting**

Cox commented that with this being a new and more complicated asset class, she commended Staff, Davis, Warburg Pincus, and their attorneys, for swift diligent work conducted on all related documents in order to meet the capital call deadline.

Motion made by Lockett, seconded by Tinker to approve Warburg Pincus Global Growth 14 subscription agreement, principal information questionnaire, common reporting standards self-certification, and related documents to implement Private Equity allocation.

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

NAY: None

**D. Consideration and Possible Action on Reallocation and/or Rebalancing of Assets Among Investment Managers as Recommended by the Investment Committee and Rejection or Approval of any Amendments Proposed and Considered by the Trustees at the Meeting**

Cox discussed the need for ongoing approval to reinvest long/short liquidation proceeds in the SSgA S&P 500 and to use SSgA S&P 500 to fund future private equity capital calls and achieve desired allocation totals.

Motion made by Luckett, seconded by Park to approve ACG's rebalancing recommendation and to direct Staff to reinvest future long/short equity liquidation proceeds in the SSgA S&P 500 fund. Further, directing Staff to utilize the SSgA S&P 500 as the funding source to achieve the approved asset allocation totals of 15% to Real Estate and 5% to Private Equity.

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

NAY: None

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

No action taken.

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

No action taken.

**10. Dean Actuaries, LLC: Consideration and Possible Acceptance of the Summary of Actuarial Funding Results July 1, 2022 – Sean Sullivan**

Sullivan presented the results of the actuarial funding report as of July 1, 2022, with funding rates effective July 1, 2023. The overall weighted average contribution rate decreased 1.79% due to demographic and asset experience, as well as the implementation of the new actuarial assumptions. The overall funding ratio of all the plans increased to 97.1% and is considered very strong in comparison to other public plans.

Sullivan reviewed changes in the cover letter which accompanies the actuarial study. The cover letter addressed the poor investment performance of the previous year, and recommended Members continue to fund at a higher contribution rate to decrease the impact of potential future contribution rate increases related to market impact. Lastly, Sullivan discussed the new ASOP 4 reporting requirement related to the risk premium of investing in a diversified portfolio rather than a low default risk portfolio. He handed out and briefly discussed the ASOP fact sheet and the limited practical application for public sector plans. It intends to help OkMRF Trustees and its' membership understand what the ASOP is and is not.

Motion made by Tinker, seconded by Luckett to accept the Summary of Actuarial Funding Results with contribution rates effective July 1, 2023, as prepared by Dean Actuaries, LLC.

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

NAY: None

ABSENT: Rooney

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

Whatley reported on plan changes for the OkMRF members, including a new CMO plan for The Village. Girardi was recognized for her efforts. Cox further commented that The Village was an original charter Member and that OkMRF is proud to have them back in OkMRF membership.

**12. OkMRF Staff Report**

Girardi reported on her attendance at OMCTFOA's Institute & Academy held in Stillwater. Cox complimented her on her ability to step in to complete a financial presentation when an emergency came up for another speaker.

Cox reported on the following items:

- Next month, JPMorgan will provide an investment review of the Real Estate portfolio.
- Received the qualification letter from the IRS for the volume submitter for the DB plan on March 6<sup>th</sup>.
- Annual Board retreat will be held on Thursday, June 29<sup>th</sup> at OkMRF offices.
- Oklahoma Public Funds Conference will be hosted by OKC Employee's Retirement System in Durant at the Choctaw Casino from September 27<sup>th</sup> through September 29<sup>th</sup>.
- OML Annual Conference to be held in Oklahoma City from September 20<sup>th</sup> through September 21<sup>st</sup>. More information to follow.
- Election notices for District 1 and District 4 will be mailed the first week of May. Nominations will remain open until June 30, 2023. *(After the regular meeting, it was determined that District 4 is **NOT** up for election until 2024. This misstatement will be rescinded during Staff Report in the April Board meeting.)*

**13. New Business**

None.

**14. Trustee/Member Comments**

None.

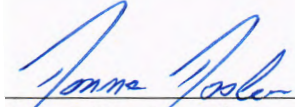
**15. Roll Call**

Whatley reported a quorum present.

**16. Adjourn**

With no further business to conduct the meeting adjourned.

  
Robert Park, Secretary

  
Donna Doolen, Chair

Respectfully submitted by:

  
Kate Girardi