

MINUTES
BOARD OF TRUSTEES
OKLAHOMA MUNICIPAL RETIREMENT FUND
May 25, 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 May 25, 2023, at 10:00 a.m. with Chair Doolen presiding.

2. Roll Call

Chair Doolen requested Girardi 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 Lockett, 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
	Rhnea Stewart, Fund Accountant
	Katie Girardi, Plan Administrator

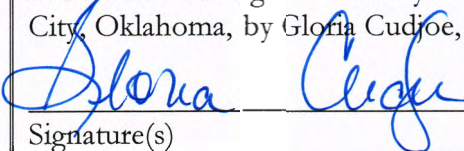
OkMRF Attorney:	David Davis
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Others:	Haley Rives, ACG
	Sean Sullivan, Dean Actuaries
	Traci Keel, Finely & Cook
	Kevin Balaod, WithIntelligence (<i>via video</i>)

Johnston opened the meeting with prayer and Rooney led the Pledge of Allegiance.

Doolen welcomed everyone and called the meeting to order.

NOTICE: The agenda for May 25, 2023, was posted in Columbus Square, Oklahoma City, Oklahoma, by Gloria Cudjoe, by 10:00 a.m. on May 24, 2023.



Signature(s)

3. Approval of Consent Agenda

The following items were presented under the consent agenda.

A. Minutes of April 28, 2023 Meeting(s)

B. Monthly Valuation of Fund Assets & Unit Values by Custodian as of April 30, 2023

Option	Value By Fund
Defined Benefit	\$ 673,690,372.67
International Investment Equity	\$ 8,438,261.14
Aggressive Equity	\$ 16,508,261.78
Real Assets Fund	\$ 846,779.67
ESG US Stock Fund	\$ 1,549,316.74
Global Equity	\$ 10,800,153.12
Growth and Value Equity	\$ 22,110,036.78
S & P 500 Index	\$ 34,951,743.16
Target Retirement 2065	\$ 172,163.52
Target Retirement 2060	\$ 7,876,212.66
Target Retirement 2055	\$ 8,183,116.24
Target Retirement 2050	\$ 12,708,528.49
Target Retirement 2045	\$ 16,028,580.20
Target Retirement 2040	\$ 20,724,680.49
Target Retirement 2035	\$ 26,976,176.86
Target Retirement 2030	\$ 29,826,484.99
Target Retirement 2025	\$ 38,679,548.34
Target Retirement 2020	\$ 23,475,289.27
Target Retirement Income	\$ 18,872,487.75
Total Yield Bond Fund	\$ 5,747,757.50
Bond Index	\$ 13,887,156.01
Voya Fixed Plus III	\$ 53,158,239.17
Loan Portfolio	\$ 7,314,657.86
Self Directed Brokerage	\$ 293,705.34
Total Assets	\$ 1,052,819,709.75

C. Purchases and Sales of Assets for April 2023

D. Administrative Expenses and Fees

Expenses and Fees for May

Actuary & Recordkeeping	\$	43,463.58
Administration		101,503.05
Attorney		3,750.00
Audit		23,500.00
Board Travel		1,925.29
Employer Directed Expense		4,200.00
Insurance		0.00
Investment Advisors		0.00
Custodial		10,451.36
Investment Consultant		0.00
Public Relations		3,427.50
Representative Travel		<u>5,261.53</u>
EXPENSES	\$	<u>197,482.31</u>

E. Benefit Payments and Contribution Refunds for April 2023

Motion made by Luckett, seconded by Rooney to approve all items on the Consent Agenda.

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

NAY: None

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

No action taken.

5. Comments from the Public

None.

6. Dean Actuaries, LLC: Consideration and Possible Acceptance of the Summary of GASB Accounting Results for Fiscal Years Ending on or Before July 1, 2023 – Sean Sullivan

Sullivan presented an overview of GASB reporting requirements for accrual based Members. The importance of the discount rate and funding methods utilized to prevent depletion of assets. Potential exceptions are analyzed in depth for possible depletion.

Motion made by Rooney, seconded by Tinker to receive the Summary of GASB Accounting Results for Fiscal Years ending on or before July 1, 2023, as presented by Dean Actuaries.

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

NAY: None

7. **Finley & Cook: Consideration and Possible Action Regarding the Receipt of the June 30, 2022, 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**

Keel presented a review of this report that OkMRF Members will rely upon for their upcoming audits. The management assertions used to analyze census data were consistent with the prior years. No exceptions were noted on management assertions related to census data, information provided to actuary agreed with internal records, and deceased Participants were properly excluded from the census data. Resulting in an unmodified opinion being issued that the agreed upon assertions of census data are fairly stated in all material aspects and can be relied upon by Members of the OkMRF Defined Benefit plans for their GASB 68 reporting requirements.

Motion made by Rooney, seconded by Tinker to receive the June 30, 2022, Defined Benefit Examination Report Over Selected Management Assertions Related to Census Data as presented by Finley & Cook.

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

NAY: None

8. **Finley & Cook: Consideration and Possible Action Regarding the Receipt of the June 30, 2022, 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**

Keel proceeded with this report where the audited fiduciary net position for each Member is reconciled to OkMRF's audited financial statements as of June 30, 2022. Each Member using the accrual method of accounting has their respective information reflected separately on the schedule and the remaining non-accrual members are combined and reported all together in one column. An unmodified opinion was issued that the Schedule referred to above presents fairly, in all material respects, the fiduciary net position of the Plan and each individual Member for the year ended as of June 30, 2022.

Motion made by Tinker, seconded by Luckett to receive the June 30, 2022, Defined Benefit Schedule of Changes in Fiduciary Net Position by Employer as presented by Finley & Cook.

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

NAY: None

9. Consideration and Possible Action Regarding Investment Committee Report

A. ACG: Review of Monthly ASAP Reports

Rives provided market update and comments related to the political posturing of passing the U.S. Federal budget. Rives further stated short term rates rose fast, costing the Federal Government and to expect short term volatility in the markets. Warning the market is on the path for the worst week since March. However, calendar to date returns are still in positive territory and somewhat ignoring timing of when the budget will pass. Focus is the growth of the economy, which is what the Federal Reserve is trying to do by increasing rates and to balance inflation and unemployment. Businesses are beginning to reduce spending due to higher lending rates, delaying new projects and capital expenditures and cost cutting measures. But the consumer has yet to curb their spending habits, but sentiment is beginning the downward path, which tends to always lag corporate spending. Expectation is for more volatility, higher inflationary factors, and more disruption to come in the economic cycle.

The DB ASAP report was reviewed. The DB portfolio was up .59% for the month but trailed the policy index. The fiscal year to date through April 2023 is 6.85% but still trails the policy index at 7.21%. The largest detractor was in commercial real estate, with more pain to come, particularly in the office sector. Reminder that when the real estate market is under duress, it also provides buying opportunities. With the recent addition of Clarion, added diversification, and the opportunistic exposure with JPM should provide opportunities. The Non U.S. Equity allocation trailed its benchmark with growth giving back some for the month of April, and the new emerging markets manager's first month of returns were significantly under their benchmark. No concern for this sector as the overall return for the fiscal year to date is over 13% and over the benchmark with impressive performance. Strong relative contribution has been in the U.S. Small/Mid sector with River Road and William Blair providing significant protection during this downturn.

The DC ASAP report showed that nearly all composites were relatively in line with their respective portfolio benchmarks for the month of April with most being well ahead on the fiscal year to date. No significant concerns and all in line with expectations.

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

No action taken.

10. Consideration and Possible Action Regarding Administrative Committee Report

A. Consideration of Adoption or Rejection of the 2023-2024 Budget as Recommended by the Administrative Committee and Rejection or Approval of any Amendments Proposed and Considered by the Trustees at the Meeting

Chairman of the Administrative Committee, Johnston, reported that he met with respective committee members and CEO to review in detail the proposed 2023-2024 budget and the anticipated results of the current year budget of 2022-2023. Cox provided the following comments related to the 2022-2023 year estimated actual versus budgeted. The budget should end favorably in each category with expenses being less than budgeted and a budget amendment will be needed for credits which came in higher than expected.

Cox continued with a review of the proposed 2023-2024 budget: Defined Benefit administrative fees increased to 26.61 basis points; Defined Contribution administrative fees increased to 27.77 basis points; proposing to utilize \$7,500 per month of the Administrative Reserve account to offset Defined Contribution (DC) expenses; lowering DC Participant administrative fees within each fee tier by at least 5%; providing brief explanations for the various budget related charts.

Motion made by Johnston, seconded by Johnson to approve the 2023-2024 Budget as recommended and as presented by CEO, allowing for the reduction of the administrative fees charged to Participants and usage of the DC Administrative Reserve account at \$7,500 per month.

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

NAY: None

Administrative Committee, Johnston continued the discussion for the purpose of reviewing the CEO goals that were submitted to the committee for the 2023-2024 year. Cox provided a summary of OkMRF's upcoming goals and offered a copy of the organization's goals for any Board members interested.

11. Consideration and Possible Action Regarding Contract Committee Report

No action taken.

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

Girardi reported on plan changes for the OkMRF Members.

13. OkMRF Staff Report

Cox reported on the following items:

- Next month, T. Rowe Price will give a presentation on their investment process for the first time.
- Budget amendment for 2022-2023 will be submitted for approval next month.
- Chair Doolen and CEO will be signing the two (2) management representation letters for both audits presented by Finley & Cook.
- Nomination notices for District 1 Trustee were mailed the first week of May. No nominations have been received and the nomination period is open through June 30, 2023.

- OkMRF Trustee Retreat is on Thursday, June 29th, starting time of 9:00 a.m., with agenda forthcoming.
- The Mayor's Summer Conference will be June 14 – 16th, in Chickasha.
- The City Manager Association of Oklahoma (OCMA) Summer Conference will be July 19-21st, in Broken Arrow.
- Due diligence trip to Voya is now scheduled to leave October 3rd for Atlanta, Georgia. Contract committee members are to advise if they want to participate in this due diligence visit.

14. New Business

None.

15. Trustee/Member Comments

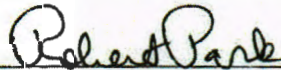
None.

16. Roll Call

Girardi reported a quorum present.

17. Adjourn

With no further business to conduct the meeting adjourned.



Robert Park, Secretary



Donna Doolen, Chair

Respectfully submitted by:



Rhonda Stewart *

