

MINUTES
BOARD OF TRUSTEES
OKLAHOMA MUNICIPAL RETIREMENT FUND
December 20, 2024

1. Call To Order

The Board of the Oklahoma Municipal Retirement Fund met at the Oklahoma Municipal Retirement Fund Offices, Oklahoma City, Oklahoma, on December 20, 2024, 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
Members: Shaun Barnett, City Manager, City of Woodward
Tamera Johnson, Retiree, City of Shawnee
Melissa Reames, Retiree, City of Stillwater
Tim Rooney, City Manager, City of Mustang

OTHERS PRESENT:

OkMRF Staff: Jodi Cox, CEO & Director
Kevin Darrow, Retirement Plan Advisor
Kyle Ridenour, Retirement Plan Advisor
Chris Whatley, CIO & Plan Advisor
Lindsay Porter, IT & Recordkeeping Manager
Rhnea Stewart, Fund Accountant
Regina Story, Fund Accountant

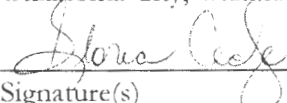
OkMRF Attorney: David Davis

Other: Haley Rives, ACG (*virtual*)
Chance Allison, Finley & Cook
Stella Rooney, Trustee guest
Deltra Hayes, Voya
Kennedy Hayes, Voya guest
Adria Campbell, Voya
Chuck Dean, Dean Actuaries
Sean Sullivan, Dean Actuaries
Joe Ebisa, WithIntelligence (*online*)

Whatley 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 December 20, 2024, was posted in Columbus Square, Oklahoma City, Oklahoma, by Gloria Cudjoe, by 10:00 a.m. on December 19, 2024.



Signature(s)

3. Approval of Consent Agenda

The following items were presented under the consent agenda.

A. Minutes of November 1, 2024 Meeting(s)

B. Monthly Valuation of Fund Assets & Unit Values by Custodian as of November 30, 2024

Option	Value By Fund
Defined Benefit	\$ 793,164,234.20
International Investment Equity	\$ 9,072,512.41
Aggressive Equity	\$ 20,726,614.33
Real Assets Fund	\$ 743,827.20
ESG US Stock Fund	\$ 1,725,810.26
Global Equity	\$ 13,369,743.24
Growth and Value Equity	\$ 30,501,210.75
S & P 500 Index	\$ 49,031,344.19
Target Retirement 2065	\$ 281,553.32
Target Retirement 2060	\$ 13,716,187.23
Target Retirement 2055	\$ 12,611,211.30
Target Retirement 2050	\$ 18,633,098.55
Target Retirement 2045	\$ 23,762,390.51
Target Retirement 2040	\$ 27,989,865.23
Target Retirement 2035	\$ 34,409,284.01
Target Retirement 2030	\$ 39,865,030.09
Target Retirement 2025	\$ 45,527,938.88
Target Retirement 2020	\$ 19,218,461.70
Target Retirement Income	\$ 18,503,368.34
Total Yield Bond Fund	\$ 7,847,608.60
Bond Index	\$ 15,211,180.84
Voya Fixed Plus III	\$ 48,219,767.93
Loan Portfolio	\$ 8,955,876.26
Self Directed Brokerage	\$ 621,493.65
Total Assets	\$ 1,253,709,613.02

C. Purchases and Sales of Assets for November 2024

D. Administrative Expenses and Fees

Expenses and Fees for December

Actuary & Recordkeeping	\$ 51,447.36
Administration	123,926.05
Attorney	5,836.00
Audit	10,000.00
Board Travel	1,958.97
Employer Directed Expense	0.00
Insurance	0.00
Investment Advisors	0.00
Custodial	7,994.39
Investment Consultant	0.00
Public Relations	343.00
Representative Travel	<u>2,001.45</u>
EXPENSES	<u>\$203,507.22</u>

E. Benefit Payments and Contribution Refunds for November 2024

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

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

NAY: None

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

No action taken.

5. Comments from the Public

None.

6. **Finley & Cook: Consideration and Possible Action Regarding 2023 – 2024 OkMRF Audit Report**

Allison gave background information on his career to introduce himself as the new audit partner from Finley & Cook. Allison provided two deliverables to the Board, the FY 2023-2024 financial statements and the required communication letter for the Board.

Beginning with the opinion on the financials, Finley & Cook has rendered an unmodified, or clean, opinion on the financial statements. Allison explained that Finley & Cook performs a risk-based audit, initially evaluating the controls surrounding the audit, and then selecting testwork to sample. For this year, the number of items tested totaled 536 items, which was a slight decrease from prior years' sample sizes. Based upon Finley & Cook's assessment of OkMRF controls, the amount of testwork was determined to be appropriate.

Regarding the required communication letter, Allison indicated that in addition to the financial statement audit, Finley & Cook also evaluates new accounting standards. Allison reported that there is a new accounting pronouncement coming in the pipeline related to how to report compensated absences, but Allison expects this to have an immaterial impact on OkMRF's small staff, as compared to municipalities that may be allowed to carry large leave balances. There were no difficulties or disagreements with management on any accounting or reporting matters, and there were no second opinions sought. Allison was pleased to report there were no general weaknesses in controls or findings for this audit cycle.

As a refresher, Allison reminded the Board that Finley & Cook presents the financials in two parts: the statement of fiduciary net changes, as well as the separate financial statements. There were no significant changes to the concentrations of asset classes or investment types. The main changes during these two fiscal years were the change in investments due to performance resulting in increases in the fund balance.

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

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

Rives began by giving an overarching economic outlook that the trajectory is good with inflation continuing to come down, unemployment still just above 4%, so the Federal Reserve continues to view its two mandates of full employment and price stability to be in balance. Moving forward, the Fed's activity will be data dependent, with them responding to what the economic indicators tell them.

Rives indicated that while there has been some volatility in December, when looking at performance for the DB plan through November, the portfolio has experienced strong year to date performance. Fiscal year-to-date returns for the DB portfolio have been 6.74% net of fees and calendar year-to-date returns have been double that. Rives pointed to all sectors except real estate as drivers of the performance. However, she did point out that in the third quarter, the broad Odyssey Index of core real estate managers had a positive return for the first time in two years.

Regarding the DC portfolio, Rives stated that the same themes are apparent across various investment options as those in the DB portfolio. Rives pointed to strong absolute performance within the Growth and Value and Aggressive Equity options. The ESG

Stock Option Fund has experienced strong results, but there is dispersion when comparison to the Russell 1000. Rives indicated this is typical for all ESG investments, due to high borrowing costs over the last twelve to eighteen months and is not reflective of any issue with Calvert. Rives expressed no concerns with any of the underlying managers or strategies at large. Rives does expect relatively healthy growth going forward, although she also expects the recent volatility to continue in 2025.

B. 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 as the Meeting

Staff recommended approval of rebalancing \$35.5 million from SSgA S&P 500 and \$1.5 million from the Real Estate Cash account, with \$7 million to be transferred to Miscellaneous Cash to cover DB cashflow needs and \$30 million to satisfy the capital call for Morgan Stanley Prime Property Fund in order to align with the target asset allocation.

Motion made by Luckett, seconded by Reames to rebalance \$35.5 million from SSgA S&P 500 and \$1.5 million from the Real Estate Cash account with \$7 million being transferred to Miscellaneous Cash to satisfy quarterly cashflow needs and \$30 million being transferred to satisfy the Morgan Stanley Prime Property real estate commitment.

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

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. Receive Report on Newly Adopted or Amended OkMRF Member Plans

Whatley reported on plan changes for the OkMRF members.

11. OkMRF Staff Report

Whatley reported that next week the calendar invite for the 2025 meetings will be sent via email.

Cox reported on the following items:

- Cox asked Board, staff, and all present to introduce themselves to new employee, Kyle Ridenour.
- Whatley, McCartney, and Ridenour delivered items to meet shelter needs to the Youth and Family Shelter in El Reno yesterday and Cox thanked everyone for their generosity.

- 2025 educational opportunities have been distributed. Cox reminded the group of ACG webinars as educational opportunities and if anyone is not receiving those emails to let her know. Cox also reminded the Board that there will be no retreat next year since OkMRF is the host for OPFTEC October 1st – 3rd.
- Accounting staff and Finley & Cook were thanked for completion of the audit.
- At January's meeting Gabriella Sanchez from JP Morgan will be presenting virtually on the 2025 economic outlook and JP Morgan will be giving an investment overview.
- Cox thanked the Board for their dedication and service, as well as for the commitment that they demonstrate to staff through the saving bonus program.
- Cox will be taking time off during the holidays and asked that any inquiries be directed to Whatley or Story in her absence.

12. Consideration and Possible Action on Resolution 2024-4 Commending Rhnea Stewart for Service

Cox honored Stewart for her years of public service with personal words of appreciation and acknowledgment of specific accomplishments during her tenure at OkMRF. Chair Doolen read the resolution of commendation. Stewart gave thankful remarks regarding her years of public service at OkMRF.

Motion made by Rooney and seconded by Reames to adopt Resolution of Commendation.

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

NAY: None

13. New Business

None.

14. Trustee/Member Comments

None.

15. Acknowledge the Review and Acceptance of ACG and Finley & Cook Reports as Presented During This Meeting

Motion made by Luckett and seconded by Johnson to accept the reports from ACG and Finley & Cook.

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

NAY: None

16. Roll Call

Whatley reported a quorum present.

17. Adjourn

With no further business to conduct, the meeting adjourned at 11:16 a.m.

Robert Johnston

Robert Johnston, Vice Chair

Donna Doolen

Donna Doolen, Chair

Respectfully submitted by:

Regina Story

Regina Story, OKLA

