

MINUTES
**SPECIAL MEETING OF THE BOARD OF TRUSTEES OF THE OKLAHOMA
MUNICIPAL RETIREMENT FUND AND THE ADMINISTRATIVE COMMITTEE OF
OKLAHOMA MUNICIPAL RETIREMENT FUND**
August 29, 2024

1. Call To Order

The Administrative Committee met to conduct the Administrative Committee business of the Oklahoma Municipal Retirement Fund on August 29, 2024, at 9:05 a.m. with Administrative Chair Johnston presiding.

BOARD OF TRUSTEES PRESENT

Administrative Committee:

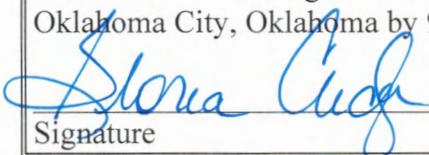
Robert Johnston, City Manager, City of Clinton
Donna Doolen, Retiree, City of Ada
Tamera Johnson, Retiree, City of Shawnee

OTHERS PRESENT:

OkMRF Staff: Jodi Cox, Executive Director/CEO

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

NOTICE: The agenda for the August 29, 2024, meeting was posted in Columbus Square, Oklahoma City, Oklahoma by 9:00 a.m. on August 27, 2024, by Gloria Cudjoe.


Signature

2. Discuss and Develop Recommendation for Board Consideration and Possible Action Regarding Potential Incentive for Staff DB Program

A special incentive plan was presented during the May 30, 2024, Administrative Committee. The Committee Members, over the course of the preceding three (3) months leading up to this meeting, asked CEO numerous questions which were thoroughly discussed during Committee meeting, such as: Staff retirement plan history, various pension calculation mechanics/scenarios, 70-mile radius and statewide DB plan comparisons to the OkMRF plan, Cola history, review of the Employer 457(b) match program and its' usage, and overall review of all Staff benefits. All questions were answered to Committee satisfaction.

To recap the initial proposal: CEO explained it was to encourage Staff to work for OkMRF for at least twenty-two (22) years of consecutive Service to achieve the premier AAA benefit formula. Reminder, there are Staff members that have been working on the OkMRF Trust account prior to 2005; however, OkMRF became a standalone employer and began offering benefits in 2005. Because of that fact, no Staff members currently meet the proposed twenty-two (22) year requirement.

Two studies were reviewed in May and again during this Committee meeting. Study 1 included the CEO and Study 2 excluded the CEO. The development of plan contribution requirements were reviewed for both studies. Each resulted in an increase to the Unfunded Actuarial Liability (UAL). The Committee remained in unanimous agreement that all employees should be considered and included. Therefore, the Committee focused on Study 1. Additional comparisons and considerations were reviewed which illustrated that one-third (1/3) of the metro-area DB plans and one-fourth (1/4) of the entire DB membership currently offer plan AAA, OkMRF's premier DB retirement plan offering.

The OkMRF proposed step up plan is unique, in that it rewards proof of loyalty and public service before achieving the top tier retirement plan. All other OkMRF Members go straight to AAA for their employees. The Committee voiced the importance of showing fiduciary prudence and therefore agreed that the step-up method was a valuable tool that would provide potential cost savings to the Employer if an OkMRF employee chooses to leave before the required number of years; yet, also serves as a reward to an OkMRF employee who stays the required period.

CEO reminded the Committee that the proposed incentive would require a 12.17% Employer contribution, which is still less than the 13% in the proposed budget. Bottomline: The 13% Employer contribution rate, supports the existing required actuarial contribution rate and the proposed incentive plan change, if adopted. Yet, it was noted that the incentive plan would increase the UAL by \$150,071. Additional facts discussed were:

- Upon hire, the existing Staff Program offers a pension on Plan level BB formula, with 5 year vesting.
- The existing Staff Program currently offers a step-up AA incentive formula which is achievable if Staff serves 15 years, or 10 more years after becoming vested.
- The AAA proposed incentive plan would reward Staff if they continued to serve a total of 22 years or 7 more years after achieving plan AA.

After extensive deliberations and discussion, Doolen made a motion seconded by Johnson to propose a recommendation to the Board, to amend the Staff's DB retirement program, and offer a two-tier split retirement plan effective January 1, 2025 as follows:

- All employees hired prior to January 1, 2025, will be required to increase their current 4.50% employee contribution rate to 5.25% (the normal employee contribution rate for plan AA) and must complete at least twenty-two (22) years of Service to achieve plan level AAA.
- All employees hired after January 1, 2025, will be required to contribute at the 5.25% employee contribution level but must complete twenty-five (25) years of Service to achieve plan level AAA.

This methodology was a way to grandfather the existing Staff due to OkMRF's unique position, in that, there were a handful of employees who worked for the Bank's Trust Department before OkMRF became a standalone employer which would recognize their OkMRF loyalty when they were lifted out of the Bank, plus hoping future hires will make a similar longevity commitment of which twenty-five (25) years felt reasonable to Committee members. This step-up two-tier split plan approach is to incent and illustrate not only to the existing employees but also to the next generation a clear career path to ultimately attain the premier DB program that OkMRF offers, that is, after OkMRF loyalty and Service is demonstrated.

Johnston: Yes

Doolen: Yes

Johnson: Yes

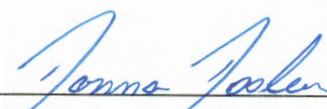
3. **New Business**

No new business.

4. **Adjourn**

With no further discussion, Johnston declared the meeting adjourned at 9:59 a.m.

Robert Johnston, Administrative Chair

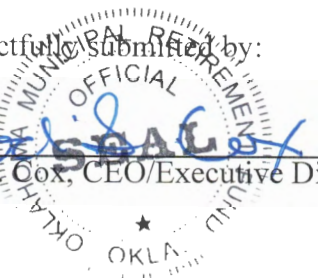


Donna Doolen, Chairman

Respectfully Submitted by:



Jodi S. Cox, CEO/Executive Director



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Johnston: Yes

Doolen: Yes

Johnson: Yes

3. **New Business**

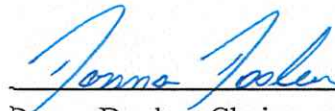
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Robert Johnston, Administrative Chair



Donna Doolen, Chairman

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Jodi S. Cox, CEO/Executive Director

