

**MINUTES**  
**BOARD OF TRUSTEES**  
**OKLAHOMA MUNICIPAL RETIREMENT FUND**  
**May 31, 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 May 31, 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 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, Retiree, City of Stillwater  
Tim Rooney, City Manager, City of Mustang

**OTHERS PRESENT:**

OkMRF Staff: Jodi Cox, CEO & Director  
Chris Whatley, CIO & Plan Advisor  
Rhnea Stewart, Fund Accountant  
Regina Story, Fund Accountant  
Kevin Darrow, Retirement Administrator

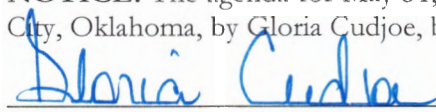
OkMRF Attorney: David Davis

Other: Haley Rives, ACG (*via video*)  
Dan Bledsoe, Finley & Cook  
Unidentified (2), (*via video*)

Whatley opened the meeting with prayer and Johnson led the Pledge of Allegiance.

Doolen welcomed everyone and called the meeting to order.

**NOTICE:** The agenda for May 31, 2024, was posted in Columbus Square, Oklahoma City, Oklahoma, by Gloria Cudjoe, by 10:00 a.m. on May 30, 2024.



Signature(s)

3. **Approval of Consent Agenda**

The following items were presented under the consent agenda.

A. **Minutes of April 26, 2024, Meeting(s)**

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

Option	Value By Fund
Defined Benefit	\$ 719,984,236.63
International Investment Equity	8,903,979.39
Aggressive Equity	18,163,735.17
Real Assets Fund	728,125.07
ESG US Stock Fund	1,812,132.44
Global Equity	12,316,770.54
Growth and Value Equity	26,227,672.65
S & P 500 Index	42,445,889.67
Target Retirement 2065	246,528.31
Target Retirement 2060	10,926,554.62
Target Retirement 2055	10,381,033.78
Target Retirement 2050	15,825,725.86
Target Retirement 2045	20,190,905.29
Target Retirement 2040	24,346,187.18
Target Retirement 2035	30,365,864.38
Target Retirement 2030	35,349,612.77
Target Retirement 2025	41,058,571.64
Target Retirement 2020	19,339,694.29
Target Retirement Income	18,343,836.61
Total Yield Bond Fund	7,105,646.43
Bond Index	14,096,880.40
Voya Fixed Plus III	48,532,598.53
Loan Portfolio	8,206,018.45
Self Directed Brokerage	379,056.28
Total Assets	\$ 1,135,277,256.38

**C. Purchases and Sales of Assets for April 2024**

**D. Administrative Expenses and Fees**

**Expenses and Fees for May**

Actuary & Recordkeeping	\$	49,551.00
Administration		137,263.80
Attorney		3,750.00
Audit		22,000.00
Board Travel		6,510.28
Employer Directed Expense		7,520.00
Insurance		0.00
Investment Advisors		0.00
Custodial		10,655.98
Investment Consultant		0.00
Public Relations		3,147.14
Representative Travel		4,852.72
EXPENSES	\$	<u>245,250.92</u>

**E. Benefit Payments and Contribution Refunds for April 2024**

**F. Consideration and Possible Action on the Review and Selection of Most Favored Nations Warburg Pincus Global Growth 14 Provisions, as Recommended by ACG and Legal Counsel**

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

Motion carried: AYE: Barnett, Doolen, Johnson, Johnston, Lockett, Park, 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 the Receipt of the June 30, 2023, 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**

Bledsoe presented the review of this report related to the management assertions for the census data utilized to provide the Members their respective GASB 68 reporting requirement. Census data has two (2) major categories: active participants and retirees with various elements evaluated under each category. Criteria for the information being evaluated provides for an exception of 5% for tests performed. No exceptions or issues noted, resulting in an unmodified opinion being issued based on management's assertions.

7. **Finley & Cook: Consideration and Possible Action Regarding the Receipt of the June 30, 2023, 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**

Bledsoe presented the review of this report, noting that report was modified this year to recognize GASB 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pension*, for the Retiree Medical Plans reflected in the Schedule of Changes in Fiduciary Net Position by Member. No exceptions or issues noted, resulting in an unmodified opinion being issued for fiduciary net position of the Plan and the changes in the fiduciary net position presented in the schedule of each Member.

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

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

Rives briefly reviewed the Market Snapshot information. April saw a pullback due to some mixed economic data but has been overridden by what transpired in May. First quarter economic growth as measured by GDP came in softer than expected and there was weakness on the inflation front. Inflationary numbers were disappointing in January, February, and March, so the pullback in April was because markets had to readjust expectations to what the Federal Reserve would do next. All eyes are on consumer spending and the upcoming elections; therefore, expect short-term volatility until November. However, post-election, typically should see a market rally irrespective of the outcome due to less uncertainty.

The ASAP reports were briefly reviewed. The DB Portfolio long-term performance was as expected with more return and less risk. Monthly returns reflective of the April pullback, but during this month of May, most losses have been made back. Still showing strong returns and outperformance over the past 12 months. The fixed income managers have done well with diversification and providing portfolio protection with the real estate allocation being the detractor. ACG continues to be in conversation with JPM real estate management as to their strategies and changes anticipated. Rives provided an overview of JPM's fee incentive option related to the exit queue. Since they will be presenting next month and providing further information, the incentive can be evaluated and discussed before the deadline of August 31, 2024.

The DC Investment Options reflected the same pullback in April across all options. Growth and Value active managers reflecting strong outperformance for the year. The Aggressive option with the smaller cap stocks reflected a more pronounced pullback for April but still good outperformance as compared to benchmarks. Integrity was under its' benchmark for the month due to fears of rates falling and a potential recession, so sector weightings were shifted accordingly to be more defensive. The International Equity option performed as

expected. Axiom and Harding Loevener are both positioned for a rebound of the China consumer. ESG, Real Assets, and the Total Bond Yield options are performing as expected with no concerns. Target Date funds continue to perform exactly in line with expectations and continue to see substantial dollars flow into these passive strategies from Participants.

Rives called attention to the Performance vs. Objectives schedule within the Quarterly Report for the period ending March 31, 2024. All four (4) objectives were met for both the five (5) and ten (10) year periods, with the Plan's annualized gross return exceeding the actuarial interest rate assumption, the total return of the policy index, ranking in the top one third (1/3<sup>rd</sup>) percentile ranking when compared to similar portfolios, and the standard deviation was less volatile with a higher return over the policy index. Additionally, the percentile peer rankings were discussed for the various periods, short-term of three (3) months to ten (10) years. Once again, the longer term horizons and the consistency of performance are more important to focus on. Not to say that shorter term performance should be ignored, the board has seen enough to know that peer group rankings can change a lot over a one year timeframe. For the five (5) and ten (10) year ranking, the portfolio percentile ranking is 34<sup>th</sup> and 28<sup>th</sup> of peers with similar portfolio allocations and the 40<sup>th</sup> and 36<sup>th</sup> ranking of average or median public pension plans of comparable size. Anchoring on these longer-term objectives, performance, measurement, and monitoring over an appropriate time horizon reflects this consistent long-term outperformance.

**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 or Considered by the Trustees at the Meeting**

No action taken.

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

**A. Consideration of Adoption or Rejection of the 2024-2025 Budget as Recommended by the Administrative Committee and Rejection or Approval of any Amendments Proposed and Considered by the Trustees at the Meeting**

Administrative Committee Chair Johnston reported that the committee met the previous day to consider the CEO goals for FY 24-25, a proposal for the staff's pension plan to be considered at next month's meeting, and the budget categories and details for the FY 24-25 proposed budget. Johnston indicated the Administrative Committee has developed a proposed recommendation for Board consideration after Cox provides an overview of the proposed budget.

Cox discussed the various schedules related to the budget proposal. First, was the anticipated budget vs. actual for this FY ending June 30, 2024. Total expenses are expected to come in under budget and there will be two (2) line items that will be presented for amendment at the June meeting.

Cox handed out an updated schedule to Trustees that reflected the proposed revision to be recommended by the Administrative Committee based on the review from the previous day. The proposed change is to the Administration, Staff and Support category, with a reduction of \$37,000. This reduction is related to reducing the overfunding of employer contributions to reduce the unfunded actuarial liability of the Staff's DB Plan. The contribution rate is proposed to be reduced from 17.75% to 13%, which covers the recommended actuarial rate with the inclusion of some overfunding.

Summarization for the proposed budget results in an increase of \$329,000 (not \$366,000 as originally prepared). This will be an increase to the DB budget of about \$132,000 and then an increase to the DC budget of about \$197,000. The DC increase is mainly because accumulated reserves were offsetting expenses and depleted as planned. Participants were given a big price break last year, because too much had built up in the DC reserves. OkMRF was pleased to pass that along to our DC Participants. Reserves are now depleted. So, for FY 24 -25, OkMRF must budget enough and raise enough from DC accounts to afford this year's proposed budget. This resulted in the four (4) tier fee schedule to be increased modestly, ranging from the lowest annual fee, of \$45.00 up to the highest of \$438.00. This increase will be fully communicated to participants in their annual statements. With this proposed change, the overall administrative basis point fees for the DC Plan will be 29.28 basis points, an increase of 1.51 basis over previous year and for the DB Plan will be 25.12 basis points, a decrease of 1.49 basis point from previous year.

Motion made by Johnston, seconded by Reames to adopt 2024-2025 Budget as amended by recommendation of the Administrative Committee reducing the employer contribution rate to 13% for a reduction of \$37,000 to the Administration, Staff and Support category.

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

NAY: None

#### **10. Consideration and Possible Action Regarding Contract Committee Report**

No action taken.

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

Whatley reported on plan changes for the OkMRF Members, including Town of Leedy, as a new Member with a DB Plan. Whatley was recognized for his efforts on the Town of Leedy.

#### **12. OkMRF Staff Report**

Cox reported on the following:

- JPM Real Estate will be presenting at next month's meeting and providing more information on a fee credit option being proposed.
- Final Budget for FY 23-24 with any amendments necessary will be on the agenda.
- Chair and CEO will sign representation letters for both Finley & Cook GASB related audits.
- Trustee nomination updates for District 4 and the At-large positions are no nominations received for District 4 and three (3) nominations have been received for Trustee Johnston, with another known opponent nomination expected shortly.
- Annual Trustee Retreat is June 27<sup>th</sup> with a start time of 9:00 a.m. and a theme of "Ahoy! Navigating to Retirement Safe Harbor." Nautical or vacation casual attire suggested.
- Mayor's Council of Oklahoma Summer Conference is at Weatherford on June 12 – 14. CEO to attend.
- City Management Association of Oklahoma is at Enid, July 17 – 19. Three (3) of your Staff are plan on attending.

Davis reported on the following:

- The Berkshire Private Equity Agreement review has been ongoing and is down to a few remaining issues. Compliments to Staff for their observations and questions during this process. Cox expressed thanks back to Davis for his review of the agreement and prudent eye.

**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 Rooney, seconded by Reames to accept the reports as received from ACG and Finley & Cook.

Motion carried:

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

NAY: None


**16. Roll Call**

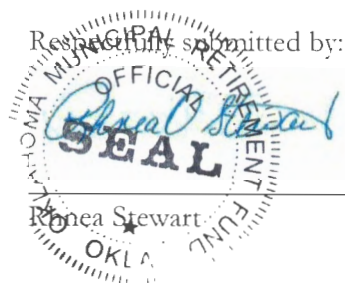
Whatley reported a quorum present.

**17. Adjourn**

With no further business to conduct, the meeting was adjourned at 11:47 a.m.

  
Robert Park, Secretary

  
Donna Doolen, Chair

Received and submitted by:  
  
Konea Stewart  
OKLA. MUNICIPAL RETIREMENT FUND