

**MINUTES**  
**SPECIAL MEETING OF THE BOARD OF TRUSTEES OF THE OKLAHOMA**  
**MUNICIPAL RETIREMENT FUND AND THE ADMINISTRATIVE COMMITTEE OF**  
**OKLAHOMA MUNICIPAL RETIREMENT FUND**  
**May 23, 2025**

**1. Call To Order**

The Administrative Committee met to conduct the Administrative Committee business of the Oklahoma Municipal Retirement Fund on May 23, 2025, at 11:00 a.m. with Administrative Chair Johnston presiding.

**BOARD OF TRUSTEES**

Administrative Committee:

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

**OTHERS PRESENT:**

OkMRF Board Members:

Melissa Reames, Retiree, City of Stillwater  
Jim Luckett, Jr., Retiree, City of Thomas

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 May 23, 2025, Administrative Committee meeting was posted in Columbus Square, Oklahoma City, Oklahoma by Gloria Cudjoe, by 11:00 a.m. on May 21, 2025.

  
Signature

## **2. Review of 2025-2026 Budget**

Cox described the various spreadsheets and assumptions used to develop the budget schedules. She further introduced the new budget summary and charts of which the Committee was complimentary. The total proposed budget is up only 1.1% over prior year's budget. Each category was reviewed in detail by the CEO and discussed as follows:

**Actuary & Recordkeeping:** Down \$24,580 main contributing factors for change:

- Most of this category's decrease is due to \$20K less on Voya DC recordkeeping fees. We continue to anticipate a 7.25% growth on plan assets. Reminder, in the first five (5) years of the Voya recordkeeping contract, they charged 11 bps. Then, the next five (5) years; it was negotiated down to 9 bps. Because October 1, 2025, is our tenth anniversary, I requested another fee concession, and it was granted for the next ten (10) years, as Voya agreed to lower fees to 8 bps. This resulted in an estimated \$45K in savings using the current DC Net Asset Value (NAV). Voya also agreed to increase the crediting rate on the Voya Fixed Plus account from 2.25% to 2.50%. These go into effect July 1, 2025.
- Dean Actuaries' contract is subject to annual CPI-U based on December to December, resulting in an increase of 2.89%. All fees proposed were slightly higher than CPI, yet in line with the increase. However, these COLA increases were offset with \$10K lower in the Programming and Projects category since last fiscal year we completed the pricey PAS 2.0 programming. PAS 2.0 had substantive DB calculation changes, due to the definition of the actuarial equivalent, mandatory IRS Normal Retirement Age change, and Joint & Survivor calculations, stemming from our IRS approved DB prototype master plan. This programming helped prepare for Member adoption that was completed by March 31, 2025.

**Administration:** Up \$27,000 main contributing factors for change:

- Health insurance is up 4.5% for same coverage (OkMRF pays 70% of premium). Some discussion surrounding our current level of coverage ensued agreeing that a 4.5% increase was within acceptable budgetary bounds.
- In January 2024, the Board approved an additional traveling position, as our Membership has grown. In turn, so have the Funds' responsibilities and commitments to customer service excellence. We successfully added Kevin in March of 2024 and Kyle in December of 2024. This will be the first time we are fully staffed. Therefore, salaries and benefits are in this year's budget for both plan administrator positions for the entire fiscal year.
- Proposed keeping the employer contribution rate at last year's budgeted amount of 13% for the DB Program rather than the required 10.22%. This results in \$25K additional contributions which help pay off the shortfall of \$341K of Unfunded Actuarial Liability. This was questioned with CEO explaining this as a best practice and mirrors the fact that OkMRF encourages our Membership to overfund in anticipation of market challenges, especially considering a very favorable year rolling off the 5-year actuarial smoothing.
- OkMRF scanning solution proposed to switch from BIS/Extender to Standley's Docuware solution. The key catalyst was that BIS has become non-responsive. We had budgeted for and hoped to move to their enhanced scanning program "Grouper" last FY and have never heard back; after initiating several contact attempts.

- **Key Features to Docuware:**
  - ✓ Auto indexing
  - ✓ Duplication monitoring
  - ✓ Full OCR recognition and customizable
  - ✓ Encryption
  - ✓ Workflows
  - ✓ Access control with audit logs and revision history
  - ✓ State-pricing consideration and negotiated free training valued at 3.6K
- Proposed Staff raises at CEO discretion, Staff merit and additional job duties.
- Offsetting these increases is a substantial \$40K decrease to Telephone/Internet category, as we have found a more reliable back-up solution and intend to switch to Axient from MS Azure and Cloud Port. Azure has terrible customer service with numerous delays when we requested help this past year. Plus, their prices continue to skyrocket. All other 3nines' customers have switched to the Axient backup solution with great success and proven back-up testing; OkMRF was their last customer holdout.
- Also offsetting was a \$9K cost saving on the 3nines monitoring service fee. This was due to the IT Manager's suggestion that OkMRF go to a laptop/docking station solution which lowered the 3nines monthly monitoring of 23 devices down to 11 devices.

**Attorney:** Down \$500 main contributing factor for change:

Direct quote from Tax Attorney resulting in lower attorney fees in the IRS Document Update/Miscellaneous categories as compared to prior year. We did budget for FY 25-26, the following:

- ✓ DB restatement questions from IRS regarding the recent 3rd cycle filing.
- ✓ The 4th cycle DB one year submission period starts yet again August 1, 2026, to July 31, 2027. Therefore, I did budget some in this FY's budget, in case we begin the DB 4th cycle process early.
- ✓ The 4th cycle DC filing has started, and Master Plan language/changes were sent to the IRS in November of 2024. We are anticipating IRS Q&A, which is billable time with McAfee & Taft.

**Audit:** Up \$1,000 per 5-year engagement letter agreed to in March 2022 meeting. This is the fourth year of this agreement.

**Board Travel:** Down \$3,000 main contributing factor for change:

Anticipated slightly less on upcoming due diligence trip to visit Money Managers in New York City (NYC) because it was scheduled early (mid-June in 2025). We typically visit money managers in the Fall. This was out of convenience since the NCPERs conference is also in NYC. Therefore, some or most of the expenses will hit the prior year's budget. Plus, we received hotel conference rate.

**Custodial:** Down \$3,500 main contributing factor for change:

This category is solely DB Northern Trust (NT) expenses. The decrease is due to last year's budgeted amount being higher than usage. Coupled with the observation that more DB

Participants are being paid using ACH vs. checks, which is a cheaper distribution method. Then, NT, for the first time since 2017 (the year we retained them as our DB custodian) has requested all customers sign a new fee schedule effective July 1, 2025. We will bring this amendment before the Contract Committee and Board this month. Most changes are new categories that OkMRF simply will not be utilizing. The most substantial changes that will affect our budget in future years are:

- ✓ NT built in a 1.50% annual inflation surcharge, excluding market value-based fees (goes into effect FY 26-27). The main explanation for the new inflation protection section was NT's expansive technology budget/advancements, plus staffing.
- ✓ postage, and overall pricing increases. Prior to that, the fees have remained unchanged for the past eight (8) plus years.
- ✓ Added a \$15,000 one-time de-conversion fee if we stopped using the NT benefit payment solution.
- ✓ NT outsourced their class action servicing department (beginning on or after October 1, 2025) resulting in 8% of the proceeds being assessed on recoveries.

**Employer Directed Expenses:** Up \$5,000 (yet, no real budget impact) here is the category explanation:

Costs outside normal OkMRF shared expenses covered by Dean Actuaries' or McAfee & Taft's retainer. This category is a flow through account for direct expenses charged by our actuary or attorney to help Members with unique plan requests. Members can pay either by invoice or plan asset usage. Examples are: Split hire groups, early retirement windows, upgrades, or downgrades, etc., which call for special actuarial studies and/or legal opinions on complex plan provisions/rules. This category has no budget impact as it is offset by the Credits category below. Budgeted slightly more than prior year due to more demand and our growing membership.

**Insurance:** Down \$600 main contributing factors for change:

- Anticipated 10% to 25% increase to PY premiums due to inflation and OkMRF being considered by carriers (per our Broker) as a "higher business risk". I used 10% for property, 15% for both Cyber and Crime coverage, and 25% for OMAG Liability Protection Plan. The 25% is a known fact, as Suzie, OMAG CEO, forewarned me about the rate hike coming at one of our on-going luncheons. Keep in mind that retirement Plan Sponsors have been recent targets by a certain group of attorneys suing for price gouging. Plus, both the municipal and retirement plan spaces have shown an increase in cyber threats. To be fair, all business models have experienced higher threat volumes.
- CEO negotiated a price guaranty on our Fiduciary Liability primary policy with our secondary anticipated to follow suit. These price savings offset the other anticipated Insurance increases. Our Fiduciary Liability coverage accounts for slightly over 2/3rds of this category.

**Investment Advisors:** Up \$7,473 main contributing factor for change:

7.25% estimated asset growth and based on a higher DB NAV. Today, DB assets used for budget purposes (March 31, 2025) were \$788M as compared to last year's level of \$744M for the same period. This is an approximate 6% increase. Reminder, we only directly pay one separately

managed DB investment manager, which impacts this category. Other facts that do not directly impact OkMRF budget:

- ✓ Each DB non-managed account will redeem shares for fees and pay internal fees inside the trust account.
- ✓ All DC Participants pay internal money manager fees based on their designated investment option(s) which impacts their personal investment performance but does not directly impact OkMRF budget.

**Investment Consultant/ACG:** Up \$7,144 main contributing factor for change:

- ACG had increased their retainer with a staged-in approach over three (3) years beginning in FY 21-22 \$210,000, FY 22-23 \$225,000, and FY 23-24 \$240,000 (approved by the board on June 25, 2021).
- We are now past the highest level. CEO negotiated a CPI only increase capped at 3% on a go-forward basis. Change results in a 2.89% increase in ACG's fees.

**Public Relations:** Up \$2,000 main contributing factors for change:

- Increased sponsorships to Member organizations.
- Voya stopped covering some of the PR materials production costs beginning FY 23-24. OkMRF did not pay for these expenses prior to that. We started producing business cards, fliers, and letterheads internally. Yet, our solution is very inexpensive with quick turnaround. Voya still assists with updating, enhancing, and writing our PR pieces.

**Representative Travel:** Up \$16,500 main contributing factors for change:

- OkMRF goal is to have two full-time traveling representatives during the entire FY 25-26, plus CIO and CEO, to achieve better Membership coverage. This includes mileage and hotel inflation considerations.
- Budgeted for two (2) Staff attendees (Kevin & Kyle) for CAPPPs certification estimated at \$5K each.

**Credit offset:** Down \$5,000 (since this is an offset it behaves differently than most categories) main contributing factor for change:

Less is expected from deposit account interest to offset DB expenses as prior year's amount received was at slightly higher interest rates. This reduction is due to the anticipated Feds' interest rate decisions for the upcoming fiscal year.

CEO reminded the Committee that we have successfully depleted the reserves, and the DC Program is functioning as a non-profit should. The DC Program will maintain the 4-tier annual fees/monthly charges at the same rate as the prior year.

In summary, the budget results in total administrative fees as a percentage of total assets of 25.54 bps. Administrative fees by plan are 24.18 and 28.01 bps, for DB and DC plans, respectively. Our target is to maintain fees to less than one-third of one percent, if feasible.

CEO reported the prior year's estimated actual expenses compared to budget should come in approximately \$220,000 under budget. However, there will be a need for three (3) budget adjustments to Attorney, Employer Directed Expenses, and Representative Travel categories; to be proposed in the June meeting after final expenses are paid. The graphs were reviewed, and questions answered.

Doolen recommended fiscal year 25-26 budget, as presented, should be taken to the Board for adoption seconded by Johnson.

Johnston: Yes

Doolen: Yes

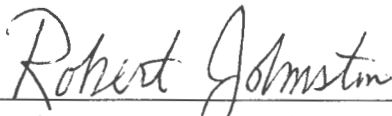
Johnson: Yes

**3. New Business**

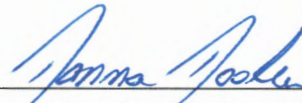
No new business. However, the Northern Trust contract changes and Voya fee reduction were reviewed as proposed in the budget. Contract Chair Reames was present and understood the proposed changes.

**4. Adjourn**

With no further discussion, Johnston declared the meeting adjourned at 12:12 p.m.



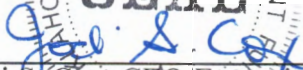
Robert Johnston, Administrative Chair



Donna Doolen, Chairman

Respectfully submitted by:

**SEAL**



Jodi S. Cox, CEO/Executive Director