

**REGIONAL UNIVERSITY SYSTEM
OF
OKLAHOMA**



MINUTES

SPECIAL PENSION COMMITTEE MEETING

April 20, 2022

**East Central University
Chickasaw Business and Conference Center
3rd Floor, Executive Conference Room
Ada, Oklahoma**

**AGENDA OF SPECIAL MEETING OF THE
PENSION COMMITTEE OF THE
REGIONAL UNIVERSITY SYSTEM OF OKLAHOMA**

Physical Meeting Site for Board Members:
East Central University
Chickasaw Business and Conference Center
3rd Floor, Executive Conference Room
Ada, Oklahoma

**Wednesday, April 20, 2022
1:00 p.m.**

1. Announcement of Filing Meeting Notice and Posting of the Agenda in accordance with the Open Meeting Act.
 - a. Call meeting to order
 - b. Roll call
 - c. Approval of minutes of the September 9, 2021, Special Meeting

2. USI Fiduciary Oversight Review for 403 (b) and 457(b) Plans (Andy Ogeare & Teddie Grant)
 - a. Fiduciary Protocol
 - b. Economic Review and Capital Markets Analysis
 - c. Plan Assets & Performance Overview
 - d. Fund Changes Update
 - e. Discussion and possible action regarding the USI Fiduciary Oversight Review

3. SRA Review (Jaime Packer & Alex Cabe)
 - a. Annual Actuarial Review as of 7/1/2021
 - b. Plan Review
 - c. Investment Policy Statement Review
 - c. TIAA Traditional 10% redemptions for 2022
 - d. Potential contribution funding for 2022
 - e. Discussion and possible action regarding the SRA Additional Review

5. OPEB Review (Alex Cabe)
 - a. Plan Review
 - b. Bank of Oklahoma Updates
 - c. Discussion and possible action regarding the OPEB Review

6. Retiree Medical Trust Presentation—Robert Kindt, Evan Walter, and Ronnie Jobe, Bank of Oklahoma
 - a. Discussion and possible action regarding the Bank of Oklahoma Retiree Medical Trust Presentation.

7. Compliance Questions—Debra Lyon, RUSO General Counsel
8. Chair's Report—Dr. David Pecha
 - a. Retiree Medical Trust Working Group
 - b. Discussion and possible action regarding the Chair's Report.
9. Adjournment

**MINUTES OF SPECIAL MEETING OF THE
PENSION COMMITTEE OF THE
REGIONAL UNIVERSITY SYSTEM OF OKLAHOMA**

Physical Meeting Site for Board Members:
East Central University
Chickasaw Business and Conference Center
3rd Floor, Executive Conference Room
Ada, Oklahoma

**Wednesday, April 20, 2022
1:00 p.m.**

1. Announcement of Filing Meeting Notice and Posting of the Agenda in accordance with the Open Meeting Act.

The members of the Pension Committee of the Regional University System of Oklahoma met in special session at 1:00 p.m. April 20, 2022, at East Central University, Chickasaw Business and Conference Center, 3rd Floor, Executive Conference Room, Ada, Oklahoma. Notice of the Special Meeting had been properly filed with the Secretary of State, December 7, 2020 and a copy of the Agenda posted online by 1:00 p.m., April 19, 2022 in compliance with the Open Meeting Act.

a. Call meeting to order

Dr. David Pecha called the meeting to order at 1:03 p.m.

b. Roll call

Jessica Kilby, East Central University
Christy Landsaw, Northeastern State University
Dr. David Pecha, Northwestern Oklahoma State University
Brenda Burgess, Southwestern Oklahoma State University
Kevin Freeman, University of Central Oklahoma
Sheridan McCaffree, Regional University System of Oklahoma

Absent: Regent Gary Parker (RUSO), Dennis Westman (SE)

Others in Attendance: Andy Ogeare (USI), Alex Cabe (USI), Jaime Packer (USI), David Whaley (VOYA), and Priya Desai (Regional University System of Oklahoma, Executive Assistant)

c. Approval of minutes of the September 9, 2021, Special Meeting

Christy Landsaw made the motion, seconded by Jessica Kilby to approve the Special Meeting Minutes for May 25, 2021.

Voting for the motion: Jessica Kilby, Christy Landsaw, Dr. David Pecha, Brenda Burgess, Kevin Freeman, and Sheridan McCaffree

Voting Against the motion: None

2. USI Fiduciary Oversight Review for 403 (b) and 457(b) Plans (Andy Ogeare & Teddie Grant)

a. Fiduciary Protocol

b. Economic Review and Capital Markets Analysis

- Covered Best practices for Retirement Plan Committees Series- Target Date Funds Selecting & Monitoring Page 13 (8 guidelines from the DOL on TDF selection and evaluation. Will do TDF Analysis at next meeting
- Covered Economic Indicators page 26. Highlighted the impact of the Russia-Ukraine war, GDP growth strong as at 4Q21 at 6.9%, slow down in retail sales in January, less momentum in February per Global Composite Purchasing Managers Index but uptick in March. Good overall trends in the US economy
- Covered Side 27 Labor Markets-Significant improvement in job market and unemployment rate remained at 3.6%, labor force participation at 62.4%, covered JOLTS Job Openings Report
- Covered Slide 29 Equity Returns. Downward trend in markets YTD with volatility caused mainly by war in Ukraine, interest rate and inflation fears. Large Cap stocks performed better than Small and Mid-Cap stocks. Value stocks outperformed growth and blend stocks over the quarter. The S & P 500 ended at -4.6% during the quarter

d. Plan Assets & Performance Overview

- i. Covered Page 40 403(b) Plan Assets as of Q4 2021 \$108,159,336, end Q1 2022 \$102,490,444
- ii. Covered Page 41 457-Assets as of Q4 2021 \$5,573,725, end Q1 2022 \$5,527,279
- iii. Covered Page 42 Covered Style Diversification
 1. 403(b)-Good mix of active and passive strategies, higher allocation to Domestic Large Cap Funds 14%, 67% of Assets in TDF
 2. 457-Page 44 40% in domestic equity, Page 45-TDFs 47%

- iv. Covered Page 47-Action History Report. All funds on hold and no recommendations for changes
- v. Covered Page 48- Performance & Allocation. Highlighted funds that lagged for varying time periods
- vi. Covered Page 64 Due Diligence Quant Scorecard
- vii. Covered Page 62 Due Diligence Process
- viii. Covered page 69-70 Target Date Funds Performance Analysis and glidepath

d. Fund Changes Update

Andy confirmed the Target Date Fund changes previously approved to move from Investor Shares to Institutional Shares were made effective on 8/18/2021

e. Discussion and possible action regarding the USI Fiduciary Oversight Review

No action was taken.

4. SRA Review (Jaime Packer & Alex Cabe)

a. Annual Actuarial Review as of 7/1/2021

- i. Covered DB Legislative Changes Page 2- Reduction in voluntary in-service age at 59.5, increase in RMD age from 70.5 to 72, reviewed CARES Act 2020
- ii. Reviewed Page 6 Key Methods & Assumptions for Funding Purpose (State Regents Office assumptions versus Practice)
- iii. Funding status-nice improvement in asset performance, gain on liability side (mortality related). Covered page 9
- iv. Jamie will recirculate list of terminated vested participants due retirement benefits and cannot be located. A review can be done, and help provided by USI via locator search so letter can be sent, and documentation kept for audit purposes
- v. Sheridan will check why payment sent for RUSO not credited

b. Plan Review

- i. Covered Summary of Information pages 39-40
- ii. Covered Asset Allocation
 - 1. Balances as of end Q42021 \$31,983,683
 - 2. Balances as of end Q4 2022 \$29,666,563
- iii. East Central University, New Plan added \$575,566 in May 2022
- iv. Southwestern OK State University, New Plan added \$473,491 at end of April 2022

- v. It was also discussed that Central OK (old Plan), East Central (old Plan), and Southeastern OK State University, New Plan would need to rebalance assets to TIAA Traditional this year as the balance in this account was below the 6-benefit payment threshold preferred by TIAA-CREF
- vi. Overall, most Plans are aligned towards the targeted 50% equities, 50% fixed income weighting, although equities and intermediate bonds and had a negative impact on performance YTD

c. Investment Policy Statement Review

- i. Highlighted document for review, update, and eventual signing

d. TIAA Traditional 10% redemptions for 2022

- i. Reviewed letter to go to TIAA for redemptions

Jessica Kilby made the motion, seconded by Kevin Freeman to approve to approve transfer amounts as recommended.

Voting for the motion: Jessica Kilby, Christy Landsaw, Dr. David Pecha, Brenda Burgess, Kevin Freeman, and Sheridan McCaffree

Voting Against the motion: None

e. Potential contribution funding for 2022

This item was not discussed.

f. Discussion and possible action regarding the SRA Additional Review

No action was taken.

5. OPEB Review (Alex Cabe)

a. Plan Review

Covered plan assets

- 1. Balances as of end Q4 2021 \$29,496,963
- 2. Balances as of end Q1-2022 \$27,989,877

b. Bank of Oklahoma Updates

Committee has no change in status of Bank of Oklahoma's oversight of the OPEB Plan.

c. Discussion and possible action regarding the OPEB Review

No action was taken.

6. Retiree Medical Trust Presentation—Robert Kindt, Evan Walter, and Ronnie Jobe, Bank of Oklahoma

a. Discussion and possible action regarding the Bank of Oklahoma Retiree Medical Trust Presentation.

No action was taken.

7. Compliance Questions—Debra Lyon, RUSO General Counsel

This item was not discussed.

8. Chair's Report—Dr. David Pecha

a. Retiree Medical Trust Working Group

This item was not discussed.

b. Discussion and possible action regarding the Chair's Report.

No action was taken.

9. Adjournment

Kevin Freeman made the motion, seconded by Brenda Burgess to adjourn the meeting.

Voting for the motion: Jessica Kilby, Christy Landsaw, Dr. David Pecha, Dennis Westman, Brenda Burgess, Kevin Freeman, and Sheridan McCaffree

Voting Against the motion: None

The meeting adjourned at 12:00 p.m.