

**REGIONAL UNIVERSITY SYSTEM
OF
OKLAHOMA**



MINUTES

SPECIAL PENSION COMMITTEE MEETING

February 23, 2023

**University of Central Oklahoma
Nigh University Center
Edmond, OK**

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

Physical Meeting Site:

University of Central Oklahoma
Nigh University Center
Edmond, OK

**Thursday, February 23, 2023
9:00 a.m.**

1. Announcement of Filing Meeting Notice and Posting of the Agenda in accordance with the Open Meeting Act
 - a. Call meeting to order.

Chair Brenda Burgess called the meeting to order at 9:00 a.m.

- b. Roll call.

Dennis Westman, Southeastern Oklahoma State University
Christy Landsaw, Northeastern State University
David Pecha, Northwestern Oklahoma State University
Brenda Burgess, Southwestern Oklahoma State University
Kevin Freeman, University of Central Oklahoma
Darrell Morrison, East Central University
Regent Chris VanDenhende, Regional University System of Oklahoma
Sheridan McCaffree, Regional University System of Oklahoma

- c. Approval of minutes of the November 17, 2022, Special Meeting

Kevin Freeman made the motion, seconded by Christy Landsaw to approve the Special Meeting Minutes for November 17, 2022.

Voting for the motion: Christy Landsaw, David Pecha, Brenda Burgess, Kevin Freeman, Dennis Westman, Darrell Morrison, Chris VanDenhende, and Sheridan McCaffree

Voting Against the motion: None

2. USI Fiduciary Oversight Review for 403 (b) and 457(b) Plans (Teddie Grant)
 - a. Fiduciary Protocol
 - i. Reviewed page 4. Teddie mentioned the Investment Policy Statement (IPS) needs to be reviewed by the committee and a signed copy is desirable for the files.
 - b. Economic Review and Capital Markets Analysis
 - i. Reviewed page 28 Economic Indicators-The S&P was down 18% last year. Q4 GDP ended at 2.9% driven by growth in inventories and trade. There

was a 3% rise in retail sales in January with rises in vehicle sales and food services.

- ii. Reviewed page 29-Labor Markets- There is currently a 1.9 ratio of job seekers to job openings with unemployment currently at 3.4%
 - iii. Reviewed page 32 Equity Returns-Positive returns for 4Q 2022 although year to date all asset categories and sectors resulted in negative returns except energy and utilities. Value stocks outperformed growth stocks by 10% last quarter and the international markets outperformed US markets (Large Blend) by 10%.
 - iv. Reviewed page 36 Fixed Income Returns-There were overall positive returns during the quarter. Year to date all fixed income asset and corporate bond categories were down.
 - v. Reviewed page 38 Diversified Portfolios- The negative market performance and valuation reset in 2022 could set up a diversified portfolio for better returns in the years ahead.
- c. Plan Assets & Performance Overview
- i. Reviewed page 41 Asset Allocation-
 - 1. 403(b) Plan-Balances as of end Q3-2022 \$87,135,926. Balances as of end Q4-2022 \$92,784,887
 - 2. 457(b)Plan-Balances as of end Q3-2022 \$5,040,683. Balances as of end Q4-2022 \$5,600,893
 - ii. Reviewed page 43-44 Style Diversification 403(b) Plan- 67% of assets invested in the Vanguard Retirement Target Date Funds
 - iii. Reviewed page 45-46 Style Diversification 457(b) Plan-50% of assets are invested on the Vanguard Retirement Target Date Funds
 - iv. Reviewed page 48 Action History -American Funds AMCPR6 fund is in the watch list.
 - v. Reviewed page 49-52 Asset Allocation and Performance
 - vi. Reviewed page 69-70 TDFs performance, glidepath and underlying funds
 - vii. Reviewed page 89 Fund Recommendations- Recommended swapping the American Funds AMCAP to the JP Morgan Large Cap Growth R6. There are 2 participants participating in this fund.
- d. Discussion and possible action to approve Investment Policy Statement-Kevin Freeman volunteered to review and further discussion will be made at the next review.
- e. Stable Value Review-postponed for next quarter to allow time for the other presenters.
- f. Discussion and possible action regarding the USI Fiduciary Oversight Review
- i. Committee discussed continuing to monitor the performance of the American Funds AMCAP Fund to consider whether a replacement by the JP Morgan Large Cap Growth Fund will be warranted. No action was taken.
3. Voya Review for 403(b) and 457(b) Plans (David Bowman)
- a. Statistical highlights of RUSO 403(b) and 457(b) Plans for 2022-David commented on several pages of the Plan Review. Highlights:
 - i. 403(b) Plan:
 - 1. Participation-2,086 accounts, with 485 terminated participants with a 6% increase in new accounts
 - 2. Participant Engagement for 2022-37,637 internet hits, 4,267 mobile hits, 234 access to the VRU and 398 interactions with customer service associates. There are 186 participants enrolled in

myOrangeMoney that provides a simple and actionable view of retirement income needs in line with current progress.

3. Managed Account Advice Service-52 participants enrolled.
- ii. 457(b) Plan:
 1. Participation-316 accounts, with 49 terminated participants with a balance.
 2. Participant engagement for 2022-9,639 internet hits, 31 mobile hits, 7 access to the VRU and 26 interactions with customer service associates. There were 24 participants enrolled in myOrangeMoney.
 3. Managed Account Advice Service-4 participants enrolled.
- b. Secure Act 2.0 highlights- David discussed various provisions. Some are optional and others mandatory with most changes to take effect as of 2024 and 2025. David has agreed to have one of Voya's attorneys address the committee with further insights at the next review.
- c. Discussion and possible action regarding the Voya 403(b) and 457(b) Plans
No action was taken.
4. SRA Review (Jaime Packer & Alex Cabe)
 - a. Jaime Packer reviewed the Annual Actuarial Review as of 7/1/2022-Discussed SECURE 2.0 updates. There has been an increase in RMD age to 73 for individuals who attain age of 72 after 12/31/2022. There are various effective dates for different provisions and more information will be provided ongoing. Based on key actuarial methods and assumptions for funding the discount rate remained at 6%. There was a total of 933 total participants as of the end of July 2022 compared to 981 at of the end of July 2021. Jamie reviewed the funding status of each location. Overall, there was a net experience actuarial loss of \$2,817,000 due primarily to an asset loss of \$4,848,000 based on investment performance below the 6% assumption. Reported there are 10 accounts for deceased or unlocatable participants that needs action to clean up and the list will be circulated.
 - b. Discussion and possible action to approve Investment Policy Statement -RUSO will review and be ready to act at next meeting (Kevin Freeman volunteered to review)
 - c. Rebalancing requests: East Central Univ (old Plan), Northwestern OK State Univ (old Plan), Northeastern State Univ (new Plan), Southeastern OK State Univ (new Plan)-Completed by Alex. Will send out notices and instructions.
 - d. TIAA Traditional 10% redemptions for 2023
 - e. Provide estimated potential contribution funding for 2023.
5. OPEB Review (Alex Cabe)
 - a. Plan Review-
 - i. Reviewed page 41 Style Diversification,
 - ii. Reviewed page 47-48 Asset Allocation and Performance. Funds are performing well overall in comparison to indexes and median benchmarks
7. Adjournment. The meeting adjourned by acclamation at 11:00 a.m.