

**AGENDA OF SPECIAL MEETING OF THE
PENSION COMMITTEE OF THE
REGIONAL UNIVERSITY SYSTEM OF OKLAHOMA
SOUTHWESTERN OKLAHOMA STATE UNIVERSITY
MEMORIAL UNION
MAIN BALLROOM
SPECIAL MEETING
Thursday, January 25, 2024
10:00 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
 - b. Roll call
 - c. Approval of minutes of the August 28,2023, Meeting

2. USI Fiduciary Oversight Review for 403 (b) and 457(b) Plans (Teddie Grant)
 - a. Fiduciary Protocol
 - b. 2023 Q4 Economic Review and Capital Markets Analysis
 - c. 2023 Q4 Plan Assets & Performance Overview
 - d. Stable Value Review
 - e. Discussion and possible action regarding the USI Fiduciary Oversight Review

3. Voya Review for 403(b) and 457(b) Plans (David Bowman)
 - a. Statistical highlights of RUSO 403(b) and 457(b) Plans as of December 31, 2023
 - b. Discussion and possible action regarding the Voya 403(b) and 457(b) Plans

4. USI SRA Review (Jaime Packer & Alex Cabe)
 - a. Annual Actuarial Review as of 7/1/2023
 - b. Plan Review as of 12/31/2023
 - c. Investment Policy Statement- requesting Committee signature
 - d. Rebalancing trades to approve: Central Oklahoma (old and new Plans), East Central (old Plan), Northwestern OK State (new Plan), Northeastern State (new Plan), Southeastern OK State (new Plan)
 - e. TIAA Traditional 10% redemptions for 2024 (none for Q4 cycle)
 - f. Estimated contribution funding for 2024
 - g. Discussion and possible action regarding SRA review

5. USI OPEB Review (Alex Cabe)
 - a. Plan Review as of 12/31/2023
 - b. Share class enhancement- First Eagle Overseas I (SGOIX) to First Eagle Overseas R6 (FEORX) which has 0.80% expense ratio (vs 0.89) and based on current assets of \$1.42 mil (would reduce investment expense by about

\$1,275 per annum). Bank of Oklahoma is the Plan's 3(38) and should agree to make this change.

- c. Long/short funds in portfolio
 - d. USI as 3(38)
 - e. Discussion and possible action regarding the OPEB Review
6. BOKF – Retiree Medical Trust Portfolio Review as of December 31, 2023 (Evan Walter, Ronnie Jobe and Sean Chitwood)

Adjournment

**MINUTES OF SPECIAL MEETING OF
THE PENSION COMMITTEE OF THE
REGIONAL UNIVERSITY SYSTEM OF OKLAHOMA
SOUTHWESTERN OKLAHOMA STATE UNIVERSITY
MEMORIAL UNION
MAIN BALLROOM
SPECIAL MEETING
Thursday, January 25, 2024
10:00 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 Dennis Westman called the meeting to order at 10:04 a.m.

- b. Roll call

Dennis Westman, Southeastern Oklahoma State University
Christy Landsaw, Northeastern State University
David Pecha, Northwestern 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 August 28,2023, Meeting

Kevin Freeman made the motion, seconded by Christy Landsaw to approve the Special Meeting Minutes for August 28, 2023.

Voting for the motion: Christy Landsaw, David Pecha, 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- no discussion.

- b. 2023 Q4 Economic Review and Capital Markets Analysis

- i. Reviewed page 32 Economic Indicators. The market rallied during 4Q23 with stock and bonds markets rising significantly to 11.7% and 6.85 respectively on the messaging of a future easing of interest rates and inflation falling to 3.1%.
- ii. Reviewed page 33 Gross Domestic Product. Personal consumption is the largest component. The personal savings rate has sharply descended, and consumer credit utilization has rapidly increased.

- iii. Reviewed page 37 Federal Reserve.
 - iv. Reviewed page 39 Labor Market. Despite increased economic pressure the labor market continues to do well. The economy continues to add jobs while inflation remains below its long-term average.
 - v. Reviewed page 42 Equity Returns-All asset categories ended in the positive. Small value stocks performed at the top. Energy was the only sector that ended in the negative,
 - vi. Reviewed page 50 Fixed Income Return. There was a shift in negative trend from the prior quarter as all asset categories ended positive.
 - vii. Reviewed page 52 Stable Value Crediting Rates versus Money Market Yields. Stable Value options have historically performed better than money market funds with higher rates of return.
- c. 2023 Q4 Plan Assets & Performance Overview
- i. Reviewed pages 55-56 Asset Allocation
 - 1. 403(b) Plan-Balances as of end Q3-2023-\$96,042,642. Balances as of end Q4-2023 \$105,742, 816.
 - 2. 457(f) Plan-Balances as of end Q3-2023 \$6,254,188. Balances as of end Q4-2023 \$7,073,383.
 - ii. Reviewed pages 57-60 Style Diversification
 - iii. Reviewed page 62 Action History Report. All funds on hold except the American Funds AMCAP R6 which was replaced by the JP Morgan Large Cap Growth Fund on 01.02.2024. This change will be reflected in future reporting.
 - iv. Reviewed pages 63-66 Asset Allocation and Performance.
 - v. Reviewed pages 82-85 Target Date Fund Family Overview
- d. Stable Value Review- The Voya Fixed Account is the capital preservation fund in the plan. The current credit rate is 1.55%.
- e. Discussion and possible action regarding the USI Fiduciary Oversight Review- 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 as of December 31, 2023
 - i. Reviewed breakout of balances per location.
 - 1. 403(b) Highlights-58 new accounts added, 2,123 total participants with 472 separated from service, 9.5% average deferral rate.
 - 2. 457(b) Plan-61 new accounts added, 387 total participants with 50 separated from service, 12% average deferral rate.
 - 3. How is Voya helping? Conducted over 10,000 educational Financial Wellness communications, emails, and other educational newsletters. Participated in Benefit Fairs, campus events, presented virtual group education sessions, conducted over 300 1:1 individual meetings in addition to virtual meetings, facilitated 500+ calls to Voya's local offices in OK. Local advisors continue to serve across all locations.

4. Communication & Education-Highlighted RUSO Financial Wellness Calendar for 2024

- b. Discussion and possible action regarding the Voya 403(b) and 457(b) Plans. No action was taken.

4. USI SRA Review (Jaime Packer & Alex Cabe)

- a. Annual Actuarial Review as of 7/1/2023 (Jamie Packer)
 - i. Covered Recent Development and Updates, Key Actuarial Methods & Assumptions,
 - ii. Reviewed Participant Count. There was a total of 895 as 7/1/2023 to include 785 retirees and beneficiaries in Pay Status,
 - iii. Reviewed Funded Ratio which improved from 54.58% as of 7/1/2022 to 60.85% as of 7/1/2023.
 - iv. Reviewed Gains/Losses-Net experience actuarial gain-\$1,802,000 to include \$1.723M due to investment performance and \$501K liability gain due mainly to mortality, retirement experience and other data changes.
 - v. Confirmed GASB assumptions.
 - vi. Confirmed there are 18 term vested participants with 8 or 9 past their required beginning date. Recommended continued efforts to locate participants or their beneficiaries. Pointed out USI can help with locator searches and sample communication letters.
- b. Plan Review as of 12/31/2023 (Alex Cabe)
 - i. Covered page 58 asset allocation Balances as of end Q3-2023 \$28,021,369. Balances as of end Q4-2023 \$29,678,889.
 - ii. Reviewed pages 65-66 Fund Performance.
- c. Investment Policy Statement- requesting Committee signature

Kevin Freeman made the motion seconded by Christy Landsaw to approve adoption in principle of the Investment Policy Statement for both the SRA and defined contribution plans and to refer the Investment Policy Statement to RUSO General Counsel for review.

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

Voting Against the motion: None

- d. Rebalancing trades or TIA 10% redemption trades that were approved:

TRADE REBALANCING for January 2024

	TIAA Traditional	CREF Bond	CREF Growth	CREF Equity	CREF Global	Total Net New	Notes:
Central Oklahoma, University of (old plan)	\$ 18,000	\$ (18,000)	\$ -	\$ 4,844	\$ (4,844)	\$ 4,844	***
Central Oklahoma, University of (new plan)	\$ 335,000	\$ (335,000)	\$ -	\$ 111,677	\$ (111,677)	\$ 111,677	***
East Central University (old plan)	\$ 5,100	\$ -	\$ -	\$ (5,100)		\$ -	
East Central University (new plan)	\$ (58,191)	\$ 58,191	\$ -	\$ -		\$ -	**
Northwestern Okla. State Univ. (old plan)	\$ -	\$ -	\$ -	\$ -		\$ -	*
Northwestern Okla. State Univ. (new plan)	\$ 69,000	\$ (69,000)	\$ -	\$ -		\$ -	
Southwestern Okla. State Univ. (old plan)	\$ (4,452)	\$ -	\$ -	\$ 4,452		\$ -	**
Southwestern Okla. State Univ. (new plan)	\$ (105,825)	\$ 105,825	\$ -	\$ -		\$ -	**
Board of Regents of Oklahoma Colleges (new plan)	\$ (5,872)	\$ -	\$ -	\$ 5,872		\$ -	**
Northeastern State University (old plan)	\$ (125,693)	\$ -	\$ 31,423	\$ 94,270		\$ -	**
Northeastern State University (new plan)	\$ 310,000	\$ (310,000)	\$ -	\$ -		\$ -	
Southeastern Okla. State Univ. (old plan)	\$ (6,900)	\$ -	\$ 1,725	\$ 5,175		\$ -	**
Southeastern Okla. State Univ. (new plan)	\$ 104,000	\$ (104,000)	\$ -	\$ -		\$ -	

*NW Old Plan has \$1,172 balance and \$255 periodic benefit payments, or can meet payments through April 30, after which will not be able to remit without funding (2 retirees left)

**TIAA 10% Annual Redemptions

***Complete withdrawal from CREF Global Equity, balance allocated to CREF Equity

- e. Estimated contribution funding for 2024- Northwestern OK State Univ (old Plan) requires additional funding by April- UPDATE- \$294,981 was funded in early Feb 2024; \$3k went to the Old Plan and the balance went to the New Plan.
- f. Discussion and possible action regarding SRA review. No action was taken.
5. USI OPEB Review (Alex Cabe)
- Plan Review as of 12/31/2023
 - Covered page 54 Asset Allocation. Balances as of end Q3-2023 \$27,539,912. Balances as of end Q4-2023 \$29,793,695.
 - Share class enhancement- First Eagle Overseas I (SGOIX) to First Eagle Overseas R6 (FEORX) which has 0.80% expense ratio (vs 0.89) and based on current assets of \$1.42 mil (would reduce investment expense by about \$1,275 per annum). Bank of Oklahoma is the Plan's 3(38) and should agree to make this change.
 - Long/short funds in portfolio- continue to monitor performance as they typically have higher expense ratios and are more complex than traditional long equity funds.
 - USI as 3(38), slide 8. Reminded USI could become the 3(38). The committee will continue to evaluate.
 - Discussion and possible action regarding the OPEB Review. No action was taken.
6. BOKF – Retiree Medical Trust Portfolio Review as of December 31, 2023 (Evan Walter, Ronnie Jobe and Sean Chitwood)
7. Adjournment

The meeting adjourned by acclamation at 12:00 p.m.