

OKLAHOMA STATE PENSION COMMISSION
Minutes
June 18, 2024

1. & 2. Call to Order and Determine Quorum

A meeting of the Oklahoma State Pension Commission convened on June 18, 2024, at 10:00 a.m. at the Oklahoma State Capitol. Written notice was sent to Commission members and interested parties, posted 24 hours prior to the meeting, and filed with the Secretary of State in compliance with the Open Meeting Law. Quorum was made and the meeting was called to order.

Members Present: Chairman Todd Russ – State Treasurer; Commissioner Cindy Byrd – State Auditor; Commissioner John Laws – Designee for Director, OMES; and Commissioner DeWayne McAnally – Governor Appointees.

Others: Ruth Ann Chicoine – Administrator; Jason Samansky and Cole Bixenman - RVK; Maria Maule – Office of the Attorney General, Pension Commission Legal Counsel; Joe Fox, Brad Tillberg, and Erin Kennedy – Oklahoma Public Employees Retirement System; Sean Ruark and Deric Berousek – Oklahoma Police Pension and Retirement System; Duane Michael – Oklahoma Law Enforcement Retirement System; Chase Rankin, Dana Cramer, and Tim Van Horn – Oklahoma Firefighters Pension and Retirement System; Sarah Green, Kirk Stebbins, Joseph Cappello, Robert Ward, and Nathan Mguyen – Oklahoma Teachers' Retirement System; Paul Monies – Oklahoma Watch; Paul Pustmueller, Evan Walter, and Sean Chitwood – BOKF; Sabra Tucker and Jennifer Gambrell – OREA; and Douglas Sanders – Marihor.

3. Approval of Minutes dated February 27, 2024

A motion was made by Commissioner McAnally that with one correction, to accept the minutes of the February 27, 2024, meeting with a second from Commissioner Byrd: All approved, February minutes passed.

4. Legislative update – Chairman Russ and Executive Directors

Updates to the state retirement funds include a modernization bill to Teachers' Retirement, also adding personal trainers to the definition of a teacher. OPERS allowed some new members and existing members to move from one plan into the hazardous duty plan, mainly new hires, no adjustments in contributions are needed at this time.

Police had a cleanup bill that increased the fees from 1 ½% to 5% and the multiplier that will increase the contribution rates for members, there is an estimate of a 10% decrease in the funded status of the system with projections to be back to 100% funding by 2031. Firefighters only had one legislative action this year regarding military service before becoming a firefighter, being able to purchase the military service like most of the other plans allow. Law enforcement will be adding the AG's investigators to their system with no effect to the system.

No other system was represented.

5. RFP Process – Procedures and Timeline – Chairman Russ

This is the fifth year of the consultant contract, and the RFP will be sent out later this year. The RFP will be sent out to the Commissioners for any edits they would like to have made before it is approved

at the August meeting and sent out for bids; all Commissioners will receive the RFP/contract and a list of firms that have received the RFP and submitted bids during the process. After the RFP has been disseminated and the Commission starts receiving bids, there will be a ranking process that will determine the outcome of either a new consulting firm or RVK continuing the consulting work for the Commission.

6. Investment Performance Analysis and Universe Analysis – Jason Samansky and Cole Bixenman – RVK, Inc.

Jason Samansky and Cole Bixenman presented the Commissioners with RVK's latest investment performance analysis and market updates. The Russell 3000 index is up 11.5% and 26% for the year with exceptional performance of large cap stocks up about 15% and international markets are up 5-6%. The Fed is holding interest rates steady despite inflation above target with the inflation still holding at 3.3% CPI with maybe one cut this year to interest rates considering it was thought there would be more cooling of the economy.

Regional banks are experiencing soft spots in the market; short term debt sales may impact treasury yields in the near term. Long term sustainability of US debt depends on the historical comparisons and market demand.

Real estate investment strategies for pension funds show trends for double digit yields and opportunities for growth. There is a demand for data centers and cheap energy sources that drives real estate transaction volume, but there are private equity challenges with public clients with opportunities for secondary sales.

Private credit markets have potential risks for small and medium sized enterprises and is a relatively new asset class. Shorter term credit coming due before longer term investments could lead to catastrophic consequences for private companies. Risks of private credit investing include the impact of high yields on credit quality and possibility of default. The Oklahoma plans have a higher allocation to growth-oriented investments with a focus on capital appreciation.

The performance for the total funds over the past year has been double digit returns except for one, most have been able to outperform their actuarial rate of return when you start looking over the past 10 years with all the plans being managed extremely well and professionally.

Discussion followed by the Commission. This being an informational only item, no vote was taken.

7. Adjournment

A motion to adjourn was made with all in favor, meeting adjourned. Next Pension Commission meeting to be held August 13, 2024.

Respectfully Submitted:



Amber Smith, Administrator