

**MINUTES
PENSION TRUST COMMISSION
NEW CITY HALL 3rd FLOOR CONFERENCE ROOM
JULY 29, 2021 – 9:00 A.M.**

Vice Chair Ellwanger called the meeting to order at 9:00 a.m. in the City Hall Third Floor Conference Room. Notice of meeting and agenda were posted on the City Hall notice board as required by law.

ROLL CALL

PRESENT: James Apple; Teri Bayones; Paul Ellwanger; Andy Hill; Ed Petersen; Billie Whipp.

ABSENT: None.

ALSO PRESENT: Kristin Huntley, Financial Services; Perry Warren and Chad Rother, Morgan Stanley; Donalynn Blazek-Scherler, City Clerk's Office; Kelea Fisher, City Attorney's Office; Christine James, Community Services Department; Dewayne Burk, Deputy City Manager; Craig Akard, Human Resources Department; John Papahronis, Pension Attorney (By phone)

II. Introduction of Visitors

Vice Chair Ellwanger asked that all non-members introduce themselves. Dewayne Burk introduced himself and Christine James, who will be appointed as a new commissioner at the next Council meeting. Donalynn Blazek-Scherler, Craig Akard, Kelea Fisher, Chad Rother, Kristin Huntley also introduced themselves.

III. New Business

- A. Approve minutes of the November 12, 2020, January 28, 2021, March 11, 2021, and April 22, 2021 meetings.

Motion by Bayones, Second by Apple, to approve minutes of the November 12, 2020 meeting. **AYE:** Bayones, Ellwanger, Hill, Petersen, Whipp, Apple. **NAY:** None. ***Motion Passed.***

Motion by Bayones, Second by Whipp, to approve minutes of the January 28, 2021 meeting, with correction to change "Livingston" to "Apple" on the absentee list. **AYE:** Ellwanger, Hill, Petersen, Whipp, Apple, Bayones. **NAY:** None. ***Motion Passed.***

Motion by Petersen, Second by Apple, to approve minutes of the March 11, 2021 meeting. **AYE:** Hill, Petersen, Whipp, Apple, Bayones, Ellwanger **NAY:** None. ***Motion Passed.***

Motion by Bayones, Second by Petersen, to approve the minutes of the April 22, 2021 meeting. **AYE:** Hill, Petersen, Whipp, Apple, Bayones, Ellwanger **NAY:** None. ***Motion Passed.***

- B. Receive quarterly financial report from Morgan Stanley and take action if necessary
– Perry Warren, Morgan Stanley.

Warren gave presentation. Report is available in the City Clerk's office.

On Page 4, Warren reviewed the Beginning Total Value at Inception and the Current Value for the End of the Plan Year. For 2020, January was slightly negative at -0.59%; April was the best month at 3.22%.

On Page 5, Warren stated the Total Weighted Rate of Return since Inception shows 6.94% return net of fees, which is above the Actuarial Assumption. In the last five years, the return net of fees is 11.78%. This is higher than the ERSOCOL benchmark of 10.23% and Actuarial Assumption of 6.75%. This is because of changes in allocation five years ago. For the current plan year, the return net of fees was 26.55%, compared to the benchmark of 22.09%.

The Projected Income Summary shows the anticipated income for the remainder of the calendar year \$395,851.00 and the projected income over the next 12 months is \$771,207.00.

On Page 6, Warren pointed out that the return percent net of fees on the Weighted Performance Summary is above the 6.75% Actuarial Assumption and ERSOCOL Benchmark for all time periods. Since the Custom Period, the Barclays Aggregate has increased 3.03%. It was anticipated to be below the average of 5.35% because of the pandemic. It is still anticipated that the Rate on Normal Returns will remain below average.

Warren reviewed the information on pages 25, 28, and 29. This information included the Positions Summary, the Investment Summary Dollar Weighted Returns, and Intra-Year Declines.

Ellwanger asked how often Warren looks at reallocation.

Warren stated the board had given approval to change allocation for 35% interest to 50% interest with a variable of up to 20%. When things got bad, the allocation was raised to the max. When things went down, allocation were changed back to normal. Then around March, allocations were changed again up to 66%. The goal is to make 6.75 or more with the least amount of volatility.

- C. Receive Quarterly Employees Refunds Made From Retirement System and receive Quarterly Statement of Receipts and Disbursement and take action if necessary- Finance.

Huntley reviewed the Balance Sheet, Statement of Revenue and Expense, and Refunds Made from the Retirement System. All reports are as of June 30, 2021. These reports are available in the City Clerk's Office.

- D. Discuss electing a Chair and Vice Chair and take action if necessary.

Ellwanger stated that the previous Chair, Bart Hadley, had retired and that leaves a vacancy for the Chair. Ellwanger also stated that he is currently the Vice Chair.

Burk stated they had looked at the make up of the Committee. He is not eligible to take on that role because he is not part of the Legacy System. As the Legacy System is phased out, finding eligible members for the committee will continue to be a problem. He stated Bayones has been on the commission for about 11 or 12 years and is a City employee.

Bayones stated she would accept that nomination. Ellwanger accepted a nomination to remain Vice Chair.

Motion by Apple, Second by Petersen, to elect Teri Bayones as Chair and Paul Ellwanger as Vice Chair. **AYE:** Petersen, Whipp, Apple, Bayones, Hill. **NAY:** None. **ABSTAIN:** Ellwanger. ***Motion Passed.***

IV. Consent Agenda

FOR THE BENEFIT OF THE AUDIENCE, ALL MATTERS LISTED UNDER THE CONSENT AGENDA ARE CONSIDERED TO BE ROUTINE BY THE PENSION COMMISSION AND WILL BE ENACTED BY ONE MOTION. THERE WILL BE NO SEPARATE DISCUSSION OF THESE ITEMS. IF DISCUSSION IS DESIRED, THAT ITEM WILL BE REMOVED FROM THE CONSENT AGENDA PRIOR TO ROLL CALL AND WILL BE CONSIDERED SEPARATELY.

- A. Consider Application for Normal Retirement for Azalee McGahee.
- B. Consider Application for Normal Retirement for Vickie Lee Ange.
- C. Consider Application for Early Retirement and Memo of Information regarding a correction for Tiffani Burk.
- D. Consider Application for Normal Retirement for Denise L Flusche.
- E. Consider Application for Normal Retirement for Bart Hadley Jr.
- F. Consider Application for Normal Retirement for Bobby Cooper.
- G. Consider approval for the paid-in-full judgments to be released from the record.

Motion by Petersen, Second by Bayones, to approve items A-G of the Consent Agenda. **AYE:** Whipp, Apple, Bayones, Ellwanger, Hill, Petersen. **NAY:** None.

V. Executive Session

Pursuant to Section 307B.4, Title 25, Oklahoma Statutes, consider convening in executive session to discuss the status of an ongoing investigation concerning pension calculations, and, if necessary, take appropriate action in open session.

Discussion took place as to whether or not Christine James was allowed to stay for Executive Session. Blazek-Scherler stated that while James was not officially a member of the Commission yet, her appointment was set to be approved at the upcoming Council meeting.

Motion by Petersen, **Second** by Apple, to allow Christine James to remain in attendance for the executive session discussion. **AYE:** Bayones, Ellwanger, Hill, Petersen, Whipp, Apple. **NAY:** None. ***Motion Passed.***

Motion by Hill, **Second** by Bayones, to convene into executive session. **AYE:** Apple, Bayones, Ellwanger, Hill, Petersen, Whipp. **NAY:** None. ***Motion Passed.***

The Authority convened in executive session at 9:34 a.m. and reconvened in regular, open session at 10:18 a.m. Roll call reflected all members present.

Motion by Petersen, **Second** by Bayones, to adopt staff's recommendation to present to Council a pension plan correction to be filed with the IRS by pension attorney John Papahronis. **AYE:** Ellwanger, Hill, Petersen, Whipp, Apple, Bayones. **NAY:** None.

VI. Comments

None.

VII. Audience Participation

None.

VIII. Adjournment

There being no further business the meeting adjourned at 9:36 a.m.

Motion by Petersen, **Second** by Hill, to adjourn. **AYE:** Hill, Petersen, Whipp, Apple, Bayones, Ellwanger. **NAY:** None. ***Motion Passed.***