

BOARD OF TRUSTEES  
PEACE OFFICERS' RETIREMENT, ACCIDENT AND DISABILITY SYSTEM  
ORAN PAPE STATE OFFICE BUILDING, DES MOINES, IOWA 50319-0050  
Minutes of Meeting Held October 17, 2022

The Board of Trustees of the Peace Officers' Retirement, Accident & Disability System convened on October 17, 2022 at 2:00 p.m. Members of the Board present in person were Chairman Stephan Bayens, Trustee Robert Conrad, Trustee Michael Metzger, Trustee Michael Fitzgerald and Trustee Mark Oiler. In attendance in person were POR Legal Counsel John Lundquist (AG's Office), Public Safety Executive Officer Nathan Ludwig, Pat Beckham (Cavanaugh Macdonald Consulting, LLC), Ed Cook (LSA), John Caccciatore (SPOC), Sue Cave (SPOC), Jen Acton (LSA), Xavier Leonard (LSA), Megan Schlesky (SRC), Brian Guillaume (House Democrats). Also in attendance via phone were, Jina Bresson (TOS), Mike Winter (POR Retiree), Jace Mikels (Senate Democrats) and Gavin Bullard (With. Intelligence). DPS Staff present at the meeting location were Director Jim Wittenwyler (Administrative Services Division), Board Secretary Erinn Castleberry and Recording Secretary Jasmine Cripps.

**Item 1 - Approval of minutes from POR Board meeting held September 19, 2022**

Trustee Conrad made a motion to approve the minutes. Trustee Metzger seconded. Motion carried.

**Item 2 - Application for Service Retirement – Christopher Nelson**

Trooper Christopher Nelson with the Iowa State Patrol has submitted an application for service retirement effective December 9, 2022. Trustee Conrad made a motion to approve the application. Trustee Metzger seconded. Motion carried.

**Item 3 - Application for Survivor's Benefits – Beth Ann Schumacher**

Retired Sergeant Mark Schumacher passed away on October 11, 2022. Mark retired from the department in 2009 and is survived by his wife Beth Ann. Beth Ann has submitted a completed application for benefits. Trustee Conrad made a motion to approve the application. Trustee Metzger seconded. Motion carried.

**Item 4 - FY 2017 - 2021 Experience Study Report – Patrice Beckham, Cavanaugh Macdonald Consulting, LLC**

Actuary Pat Beckham submitted the FY 2017 - 2021 Experience Study Report to the Board. The report is a compilation of the information from the experience study conducted that was presented to the board at the April, June, and July POR meetings. The Board previously adopted the recommended changes from the experience study at the July Board meeting. Trustee Conrad made a motion to accept the report. Trustee Metzger seconded. Motion carried.

**Item 5 - Updated Early Retirement Factors and Form Conversion Factors – Patrice Beckham, Cavanaugh Macdonald Consulting, LLC**

Actuary Pat Beckham shared a letter she addressed to the Board dated October 11, 2022 stating that Iowa statutes require the early retirement factors and optional form of payment factors to be actuarial equivalent to the normal retirement benefit. Since new assumptions were adopted as a result of the recent experience study Cavanaugh Macdonald Consulting, LLC recommend the actuarial tables for early retirement and optional forms of payment be updated to reflect the new assumptions. Staff made a recommendation that any changes be effective January 1, 2023. If the Board approves this set of actuarial assumptions Cavanaugh Macdonald will send the updated factors to be used in future benefit calculations. Trustee Conrad made a motion to accept the updated early retirement factors and optional form conversion factors as documented in the October 11, 2022 letter from Cavanaugh Macdonald Consulting, LLC namely • 6.5% investment return, • Pub-2010 Public Safety Median Mortality Table, Projected to 2040 using Scale MP-2021, with 2-year age setback for males and females • Marriage assumption of 90% • Spouse age difference of 4-years (male older than female) • Member assumed to be male and Joint Annuitant assumed to be female with an effective date of January 1, 2023. Trustee Metzger seconded. Motion carried.

**Item 6 – FY 2022 Actuarial Valuation – Patrice Beckham, Cavanaugh Macdonald Consulting, LLC**

Pat Beckham presented the July 1, 2022 Actuarial Valuation Report. This is an annual financial report card for the system to track and measure member and financial data to compare the liabilities to the System's assets as of July 1<sup>st</sup> of each year. The purpose of the report is to provide a summary of the funded status of the System as of July 1, 2022 and determine the normal contribution rate as defined in Iowa Code Chapter 97A.8. There have been no changes to the plan provisions or actuarial methods since the prior valuation. The regularly scheduled 5-year experience study covering FY 2017 – FY 2021 was completed in June 2022. Based on the findings of the study POR actuary recommended changes to the actuarial assumptions which the Board adopted at the July 2022 POR Board of Trustees meeting.

The investment return on the FY 2022 market value of assets was -21.7%, but due to the actuarial smoothing methods the return on actuarial value was 7.8%. There was an increase in the System's unfunded actuarial accrued liability (UAAL) from \$122 million to \$184 million. The actuary stated that the long-term financial health of the POR System is heavily dependent on future investment returns and payment of scheduled contributions, including the State's supplemental contribution payment of \$5 million until the System is 85% funded. Trustee Conrad made a motion to accept the actuarial valuation report as of July 1, 2022 produced by Cavanaugh Macdonald Consulting, LLC. Trustee Metzger seconded. Motion carried.

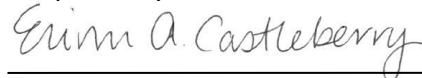
**Item 7 – Open Forum.**

None.

**Next POR Board Meeting** - Monday, November 21<sup>st</sup>, 2022 at 2:00 p.m.  
Oran Pape State Office Building; 1<sup>st</sup> Floor Public Conference Room

**Adjournment.** Trustee Conrad made a motion to adjourn the meeting. Trustee Metzger seconded. Motion carried. The meeting was adjourned at 3:05 p.m.

Respectfully,



Erinn Castleberry, POR Board Secretary



Jasmine Cripps, POR Board Recording Secretary