

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 18, 2021

The Board of Trustees of the Peace Officers' Retirement, Accident & Disability System convened on October 18, 2021, at 2:00 p.m. Members of the Board present in person were Trustee Michael Fitzgerald, Trustee Michael Metzger, Trustee Robert Conrad and Trustee Mark Oiler. Also in attendance in person were POR Legal Counsel John Lundquist (AG's Office), Public Safety Executive Officer Nathan Ludwig, Jina Bresson (TOS), Jen Acton (LSA), SPOC Attorney Sue Cave and Patrice Beckham (Cavanaugh Macdonald Consulting). In attendance via phone were Patrick McCormick (TOS), ISP Lieutenant Michael Kober, Dylan Keller (Senate Republicans), Lauren Albanese (Financial Investment News), Gavin Bullard (Fundmap) and Pam Walker. 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 20, 2021

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

Item 2 – FY 2021 Actuarial Valuation – Patrice Beckham, Cavanaugh McDonald Consulting, LLC

Pat Beckham presented to the Board the July 1, 2021 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 1st of each year. The purpose of the report is to provide a summary of the funded status of the System as of July 1, 2021 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 assumptions and methods since the prior valuation.

The investment return on the FY 2021 market value of assets was 34.8%, but due to the actuarial smoothing methods the return on actuarial value was 16.1%, which generated an actuarial gain of \$51.7 million. There was an increase in the System's funded ratio from 76% to 84% and a decrease in the unfunded actuarial accrued liability (UAAL) from \$177 million to \$122 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. With the supplemental State contribution, there is no contribution shortfall for FY 2022. Trustee Conrad made a motion to accept the actuarial valuation report. Trustee Fitzgerald seconded. Motion carried.

Item 3 – Benchmark Change to PORS Investment Policy – Jina Bresson, Treasurer's Office

Jina notified the board that the private debt and private credit benchmarks that they had planned to use were going to come with a \$6,000/yr fee so they asked NEPC to recommend other benchmarks that would not incur additional charges. NEPC recommended private debt benchmark Bloomberg U.S Corporate High Yield Index and private equity benchmark S&P500 Index+300 basis points. Trustee Conrad made a motion to approve the benchmark changes to the Investment Policy. Trustee Oiler seconded. Motion carried.

Item 4 - Application for Service Retirement – Robert Hansen

Major Robert Hansen has submitted an application for service retirement effective November 9th, 2021. Trustee Metzger made a motion to approve the application. Trustee Conrad seconded. Motion carried.

Item 5 - Application for Survivor's Benefits – Phyllis Evans

Retired Trooper Robert (Bob) Evans passed away on October 3rd, 2021. Bob retired from the Patrol in March of 1981 and is survived by his wife, Phyllis, to whom an application for survivor's benefits has been sent. Trustee Metzger made a motion to approve the survivor's benefits contingent upon receipt of a completed application and all required documentation. Trustee Conrad seconded. Motion carried.

Item 6 - Application for Medical Expense Reimbursement – Dennis McMahon

Accidental disability retiree Dennis McMahon requested reimbursement for medical expenses related to his disabling condition that were not paid by his health insurance. Trustee Conrad made a motion to approve payment of \$863.35 for reimbursement of expenses directly related to Mr. McMahon's disabling condition. Trustee Metzger seconded. Motion carried.

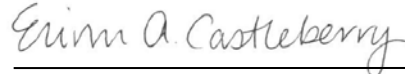
Item 7 – Open Forum

None.

Next POR Board Meeting - Monday, November 15, 2021 at 2:00 p.m.
Oran Pape State Office Building
1st Floor Public Conference Room

Adjournment. Trustee Conrad made a motion to adjourn the meeting. Trustee Metzger seconded. Motion carried. The meeting was adjourned at 3:22 p.m.

Respectfully,



Erinn Castleberry, POR Board Secretary



Jasmine Cripps, POR Board Recording Secretary