

BOARD OF TRUSTEES
PEACE OFFICERS' RETIREMENT, ACCIDENT AND DISABILITY SYSTEM
PUBLIC SAFETY BUILDING, DES MOINES, IOWA 50319-0050
Minutes of Meeting Held October 19, 2020

The Board of Trustees of the Peace Officers' Retirement, Accident & Disability System convened on October 19, 2020, at 2:00 p.m. Members of the Board present were Chairman Stephan Bayens, Trustee Michael Fitzgerald (via phone), and Trustee Bob Conrad. Others in attendance via conference call: Jina Bresson (Treasurer's Office), Patrick McCormick (Treasurer's Office), POR Legal Counsel John Lundquist (AG's Office), and Sue Cave (SPOC). Present at the Meeting location: Patrice Beckham (Cavanaugh Macdonald Consulting), Trooper Mark Stine (ISP), Trooper Deborah Stine (ISP), and from the DPS Administrative Services Division Director Jim Wittenwyler, Board Secretary Erinn Castleberry, and Recording Secretary Tessa Lemons.

Item 1 - Approval of minutes from POR Board meeting held September 21, 2020. Trustee Conrad made a motion to approve the minutes. Trustee Fitzgerald seconded. Motion approved.

Item 2 – FY 2020 Actuarial Valuation – Patrice Beckham, Cavanaugh Macdonald Consulting, LLC. Pat Beckham presented to the Board the July 1, 2020, 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 the July 1st of each year. This valuation is used to give an idea of the financial health of the system and to develop information that is used in the State's financial statements. In this year's valuation there were no changes to benefit provisions, but the actuarial valuation does reflect the new set of economic assumptions adopted in April 2020 as a result of the experience study. The two primary changes were moving the anticipated return rate of 7.5% down to 7.0% and the price of inflation from 2.75% down to 2.5%. Because the POR Board implemented these new economic assumptions the system is better positioned to meet future actuarial assumptions.

The investment return on the FY 2020 market value of assets was 13.2%, but due to the actuarial smoothing methods the return on actuarial value was 9.2%, which generated an actuarial gain of \$9 million. There was a decrease in the System's funded ratio from 78% to 76% and an increase in the unfunded actuarial accrued liability (UAAL) from \$154 million to \$177 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 supplemental payment of \$5 million until the System is 85% funded, which is projected to be met in 4 years at the 7% return assumption. Despite projected funding at 85% in 4 years, the full funding for the plan is not anticipated until a projected date of 2058. Trustee Conrad made a motion to accept the actuarial valuation report. Trustee Fitzgerald seconded. Motion carried.

Item 3 – Application for Service Retirement – Todd Brechwald. Trooper Todd Brechwald with the Iowa State Patrol has submitted an application for service retirement effective November 13, 2020. Staff recommends approval of the application. Trustee Conrad made a motion to approve the application. Trustee Fitzgerald seconded. Motion carried.

Item 4 – Application for Service Retirement – Sean McCullough. Special Agent in Charge Sean McCullough with the Division of Narcotics Enforcement has submitted an application for service retirement effective November 20, 2020. Staff recommends approval of the application. Trustee Conrad made a motion to approve the application. Trustee Fitzgerald seconded. Motion carried.

Item 5 – Application for Service Retirement – Valerie Reeves. Fire Inspector Valerie Reeves with the State Fire Marshal has submitted an application for service retirement effective December 11, 2020. Staff recommends approval of the application. Trustee Conrad made a motion to approve the application. Trustee Fitzgerald seconded. Motion carried.

Item 6 – Application for Service Retirement – Steven Schepers. Trooper Steven Schepers with the Iowa State Patrol has submitted an application for service retirement effective December 4, 2020. Staff recommends approval of the application. Trustee Conrad made a motion to approve the application. Trustee Fitzgerald seconded. Motion carried.

Item 7 – Application for Survivor’s Benefits – Janet Sellers. Retired Sergeant Leland “Lee” Sellers passed away on October 6th, 2020. Lee retired from the Iowa State Patrol in 2001 and is survived by his wife, Janet Sellers, to whom an application for survivor’s benefits has been sent. Staff recommends approval of the application pending receipt of application and required documentation. Trustee Conrad made a motion to approve the application contingent on receipt of the completed application and required documentation. Trustee Fitzgerald seconded. Motion carried.

Item 8 – Application for Accidental Disability Benefits – Deborah Stine. Trooper Deborah Stine with the Iowa State Patrol submitted an application for POR accidental disability benefits and was seen by physicians at the University of Iowa Hospitals and Clinics on September 30, 2020. The recommendation letter from the POR Medical Board is now put before the POR Board of Trustees for review and action. Trustee Conrad made a motion to approve Ms. Stine’s application for accidental disability. Trustee Fitzgerald seconded. Motion carried.

Item 11 – Open Forum.

Ms. Castleberry gave notice that Trooper Justin O’Rourke has submitted an Accidental Disability application. POR staff has requested medical records and will provide an update to the POR Board as the application progresses.

Next POR Board Meeting – Monday, November 16, 2020 – 2:00 p.m.;
Oran Pape State Office Building

Adjournment. Trustee Conrad made a motion to adjourn the meeting. Trustee Fitzgerald seconded. Motion carried. The meeting was adjourned at 3:03 p.m.

Respectfully,



Erinn Castleberry, POR Board Secretary



Tessa Lemons, Recording Secretary