



## BENEFITS ADVISORY COMMITTEE MEETING MINUTES

IPERS Board Room

7401 Register Drive, Des Moines, Iowa

August 26, 2019

The following people attended the IPERS Benefits Advisory Committee meeting held on Monday, August 26, 2019.

### Members of the Benefits Advisory Committee - Present

Len Cockman, Chair	Steve Hoffman
Brad Hudson, Vice Chair	Danny Homan
Susanna Brown	Connie Kuennen
Matt Carver	Erin Mullenix
Lowell Dauenbaugh	Phil Tetzloff
Andrew Hennesy	Jon Thomas

### Members of the Benefits Advisory Committee - Absent

Matt Cosgrove  
Jim Kurtenbach

### IPERS Administration and Staff

Donna Mueller, Chief Executive Officer	Shawna Lode, Director of Communications
David Martin, Chief Benefits Officer	Darla Iverson, Chief Financial Officer
Melinda McElroy, Executive Assistant	Katie Hommer, Communications Team
Karl Koch, Chief Investment Officer	Alex Drzycimski, Communications Team
Gregg Schochenmaier, General Counsel	

### Public Members

Jina Bresson, State Treasurer's Office	Bridget Godes, Senate Democratic Caucus Staff
Jennifer Acton, Legislative Services Agency	Brad Baker, Dept. of Natural Resources
Ed Cook, Legislative Services Agency	Pat Deluhery
Steve Timmins, Dept. of Management	Gary Thelan
Dylan Keller, Senate Republican Caucus Staff	

## **Call to Order**

Len Cockman, chair, called the meeting to order at 1:00 p.m.

## **Membership Elections**

Three BAC employee representative voting seats were up for election. Brad Hudson nominated AFSCME, International Brotherhood of Teamsters and the School Administrators of Iowa. Andrew Hennesy seconded the nominations. Brad Hudson then moved to cease nominations, Danny Homan seconded. The nominations were approved by unanimous roll call vote.

## **Election of Officers**

Brad Hudson nominated Len Cockman as chair of the Benefits Advisory Committee. Steve Hoffman seconded the nomination. Danny Homan moved to cease nominations and Steve Hoffman seconded. The nomination carried by unanimous voice vote.

Danny Homan nominated Brad Hudson as vice chair of the Benefits Advisory Committee. Steve Hoffman seconded the nomination. Danny Homan moved to cease nominations and Andrew Hennesy seconded. The nomination carried by unanimous voice vote.

## **Approval of January 28, 2019 Meeting Minutes**

Danny Homan made the motion to approve the minutes from the January 28, 2019, BAC meeting. Matt Carver seconded, the motion carried by unanimous voice vote.

## **BAC's FY2019-20 Budget - Darla Iverson**

Darla Iverson reviewed with the committee the results of their FY2019 budget and their FY2020 projected budget. Lowell Dauenbaugh made the motion to approve the budget as presented. Danny Homan seconded, the motion carried by unanimous voice vote.

## **IPERS Investment Staff Budget and Legislative Request - Donna Mueller**

Donna Mueller reviewed with the committee IPERS' strategic initiative of implementing internal investment management on select asset strategies. The Investment Board supported internal investment management in 2017. IPERS identified two approaches to launching an internal investment team: 1) through the budget process, this approach would not require legislation; or 2) through governance legislation authorizing the Investment Board to determine the number of staff required to manage the investment of the retirement fund. Danny Homan made the motion to approve the resolution supporting internal investment management. Phil Tetzloff seconded, the motion carried by unanimous roll call vote.

## **CEO Report - Donna Mueller**

Donna Mueller stated that an RFP for actuarial audit services will be issued in September with a hiring recommendation for the Investment Board at their December meeting. Audit results will then be presented to the Investment Board in March 2020. She concluded her report by discussing retirement security legislation and issues at the federal level.

## **Communications Report – Shawna Lode**

Shawna Lode discussed the Communications team initiatives to develop more measurable communications, increase members' awareness of the importance of supplemental retirement savings and to leverage technology in communications.

## **November Dividend Adjustment – David Martin**

David reported the 2019 November Dividend will receive a 1.60 percent adjustment based on actuarial certification and the CPI-U (Consumer Price Index for urban living) for June 30, 2019. Approximately 3,680 recipients will receive a total of \$5.38 million.

## **Upcoming Educational Opportunities – Donna Mueller**

Donna reported the dates for the NCTR Annual Conference and the IFEBP Annual Employees Benefits Conference.

## **Staff Reports**

Benefits Update – David Martin reviewed the Member Demand Measures report for June and July 2019 and reported that with recent hires the Benefits team and Employer Relations team are nearly fully staffed.

Investment Update – Karl Koch reported IPERS' investment return for FY2019 was 8.35 percent, which exceeded the actuarial investment return of 7 percent but slightly underperformed its policy benchmark. He estimated the current Trust Fund balance to be \$33.7 billion.

Appeals Update – Gregg Schochenmaier reviewed the Appeals Status report as of August 2019.

## **Other Business**

Brad Hudson commended staff on their continued efforts to implement pension system best practices at IPERS.

## **Public Comments**

Former Senator Pat Deluhery reminded the BAC and staff to encourage members to participate in employer sponsored deferred compensations programs because IPERS does not offer retirees a cost-of-living adjustment. He also pointed out that communication messages should be delivered in multiple ways.

## **Future Meeting Dates**

The next scheduled BAC meeting is Monday, October 28, 2019. With no further business to come before the committee, Danny Homan made the motion to adjourn. Steve Hoffman seconded, the motion carried by unanimous voice vote. Meeting adjourned at 2:37 p.m.