



## **BENEFITS ADVISORY COMMITTEE MEETING MINUTES**

IPERS BOARD ROOM

7401 Register Drive, Des Moines, Iowa

May 22, 2023

The following people attended the IPERS Benefits Advisory Committee (BAC) meeting held on Monday, May 22, 2023.

### **Members of the Benefits Advisory Committee - Present**

Len Cockman, Chair

Lowell Dauenbaugh, Vice Chair

Matt Carver

Susanna Cave

Todd Copley

Richard Hoffman

Steve Hoffman

Connie Kuennen

Erin Mullenix

Melissa Peterson

Adam Steen

Phil Tetzloff

### **Members of the Benefits Advisory Committee - Absent**

Andrew Hennesey

### **IPERS Administration and Staff**

Greg Samorajski, Chief Executive Officer

David Martin, Chief Benefits Officer

Melinda McElroy Executive Assistant

Sriram Lakshminarayanan, CIO

Shawna Lode, Director of Communications

Tara Hagan, Chief Financial Officer

Rick Hindman, Chief Information Officer

### **Cavanaugh Macdonald**

Brent Banister

Bryan Hoge

## **Call to Order**

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

## **BAC Membership Elections**

Three voting positions on the BAC were up for election. Iowa Code requires one of these vacancies be held by a constituent group representing teachers. Matt Carver nominated the Iowa State Education Association. Lowell Dauenbaugh seconded the nomination. The nomination was approved by unanimous roll call vote of the full BAC membership.

Iowa Code requires one of these vacancies be held by an organization that represents cities. Matt Carver nominated the Iowa League of Cities. Phil Tetzloff seconded the nomination. The nomination was approved by unanimous roll call vote of the full BAC membership.

Iowa Code requires one voting seat be held by a public citizen who is not a member of IPERS. Matt Carver nominated Lowell Dauenbaugh as the citizen representative on the BAC. Erin Mullenix seconded the nomination. The nomination was approved by unanimous roll call vote of the voting membership.

## **Approval of Previous BAC Meeting Minutes**

Matt Carver made the motion to approve the minutes from the October 31, 2022, December 1, 2022, and January 23, 2023, Benefits Advisory Committee meetings. Erin Mullenix seconded. The motion carried by unanimous voice vote.

## **COLA Study Options**

Greg Samorajski gave a brief overview and history of the Favorable Experience Dividend (FED) and the Supplemental Accounts for Active Members (SAAM) programs and possible options to address the expected liabilities each could create. Option 1: Eliminate the FED/SAAM provisions legislatively or administratively. Administrative action would require the Investment Board to determine by policy that fully funded means a percentage greater than 100%. Option 2: Maintain the current FED/SAAM provisions and increase required contribution rates to accommodate the estimated liabilities. Option 3: Eliminate the FED/SAAM provisions and replace them with a more traditional COLA.

Cavanaugh Macdonald provided a study that reviewed the potential costs to expand the November Dividend program. Currently, the dividend is paid to members who retired prior to July 1, 1990. The study included three proposals to expand the program to: A) members who retired before July 1, 2000; B) members who retired before July 1, 2005; and C) members who are retired for 20 years.

The BAC expressed interest in using its budget to pay for studies that provide additional replacement options. Matt Carver made the motion to delegate authority to the BAC chair to approve the expenditure. Phil Tetzloff seconded. The motion carried by unanimous roll call vote.

Matt Carver next made the motion that the BAC recommend to the Legislature eliminating the FED/SAAM programs and replacing them with a possible expansion of the November Dividend program or a similar COLA. Carver acknowledged that legislation to facilitate this change would be determined later. Phil Tetzloff seconded. The motion carried by unanimous roll call vote.

### **Legislative Session Update**

Shawna Lode reviewed the status of several bills IPERS tracked during the 2023 legislative session. She also noted the Governor has not yet signed the state budget bill.

### **Staff Reports**

Benefits Update – David Martin reported that his team continues to fill staff vacancies and has four new employees in training.

Investment Update – Sriram Lakshminarayanan updated the BAC on estimated investment performance for the fourth quarter of 2022 and the first quarter of 2023. He reported the Trust Fund balance was approximately \$40.6 billion.

### **Other Business**

Phil Tetzloff announced that he is resigning from the Iowa Retired School Personnel Association's Board this fall. The IRSPA has started searching for his replacement on the BAC.

### **Public Comments**

Former Senator Pat Deluhery shared his concerns on public funds investing in private equity companies.

### **Future Meeting Dates**

The next BAC meeting is scheduled for Monday, August 28, 2023. With no further business to come before the committee, Matt Carver made the motion to adjourn the meeting. Lowell Dauenbaugh seconded; the motion carried by unanimous voice vote. The meeting adjourned at 3:00 p.m.