
FISCAL UPDATE Article

Fiscal Services Division

September 20, 2019



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IPERS INVESTMENT BOARD MEETING — SEPTEMBER 2019

Meeting. The Iowa Public Employees' Retirement System (IPERS) Investment Board met on Thursday, September 19, 2019. The Board took the following actions:

- Approved the minutes from the June 20, 2019, meeting.
- Elected Lisa Stange as Chairperson and Marlene Sprouse as Vice Chairperson.

The Board heard a report from Chief Executive Officer (CEO) Donna Mueller.

- Ms. Mueller announced that Ed Macdonald, a founding principal of the actuarial firm Cavanaugh Macdonald Consulting, is retiring from the firm. She does not foresee the transition of duties to the new CEO, Ed Koebal, as having any negative implications to the services IPERS receives. IPERS' contract with Cavanaugh Macdonald runs through June 30, 2020, with an option to extend the contract up to three more years.
- The Government Finance Officers Association (GFOA) recommends a five-year cycle for actuarial audits. IPERS' last audit was in 2014. A request for proposal (RFP) has been posted for an actuarial audit of the upcoming 2019 valuation. The March 2020 audit will be presented before the June valuation. Board members Lisa Stange and Justin Kirchhoff volunteered to assist in the selection process.
- The internal investment management resolutions signed by the Investment Board on June 22, 2017, and by the Benefits Advisory Committee (BAC) on August 26, 2019, were presented to the Governor's Office as part of a department request. IPERS is requesting an additional \$627,000 and 2.0 full-time equivalent (FTE) positions from the IPERS Trust Fund for two internal investment managers and a reclassification of current investment management FTE positions.
- IPERS completed a disaster recovery exercise in relation to continuity of operations/continuity of government (COOP/COG) on Friday, September 13, 2019. IPERS will take the lessons learned from the exercise to continue to improve security and refine their internal processes and methods.
- CEO Donna Mueller announced her plans to retire on April 30, 2020. A CEO search committee consisting of three Investment Board members and two BAC members will be established to develop the search process and provide initial recommendations of candidates for the Governor's consideration. The Investment Board members named were David Creighton, Marlene Sprouse, and Lisa Stange.

Presentations were made to the Board by Paul Martiniello of CEM Benchmarking, Inc., regarding the company's five-year period review of IPERS' investment cost effectiveness, ending December 31, 2018, and by Wilshire Associates regarding IPERS' Annual Asset Allocation Review and the FY 2019 Investment Performance Review. The Board voted 7-0 to approve revisions to the asset allocation policy and active risk budget effective January 1, 2020.

Next Meeting. The IPERS Investment Board will meet again on Friday, December 6, 2019. The next BAC meeting will be on Monday, October 28, 2019.

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