

MUNICIPAL FIRE AND POLICE RETIREMENT SYSTEM OF IOWA

By Eric Hartman, Police Officer Trustee, Des Moines Police Department



On October 3, 2019, the MFPRSI Board of Trustees approved the 2019 fiscal year actuarial report provided by its actuary, SilverStone Group. The city's contribution rate was set at 25.31% effective July 1, 2020, an increase of 0.90% from the 2019 rate. The board continues to maintain its goal to increase the funded status of the plan and subsequently decrease the city's contribution rate to the statutorily imposed 17% floor.

At the end of its fiscal year, June 30, 2019, the plan's assets totaled over \$2.61 billion, an increase of nearly \$63.5 million from the prior year. However, the plan's funded status decreased 0.96% to 81.04%. This decrease was partly the result of an actual return on assets of 5.65% versus the assumed 7.50%. The shortfall in return can be attributed to several factors, including a defensive position in a portion of the portfolio, timing of the fiscal year end, and an underperformance in master limited partnerships (MLPs) investments. The board and MFPRSI staff are constantly monitoring the investments portfolio and make changes when needed while maintaining a strategic long-term focus on asset allocation. This strategic focus has led to a 7.7%, net of fees, annualized return, since 1992.

The 2020 legislative session will begin shortly. While technically this is considered a "pension" year, history has shown that any year can produce legislation that impacts pensions and specifically, MFPRSI. The best way to be a positive advocate for the pension system is to stay informed and contact your state legislators if the need arises.

MFPRSI has developed a disability retirement brochure, which can be found on MFPRSI's website, under the "Active Members" tab, then "Disability Retirement." Please take the time to read this brochure if you are considering applying for a disability retirement. In addition, the board continues to study and educate themselves around the issue of post-traumatic stress disorder, or PTSD, and is in the late stages of adopting a board policy that will help guide the board on disability appeals of PTSD.

MFPRSI welcomed a new investment consultant, Marquette Associates, in the first quarter of 2019. The transition from the prior consultant, who was acquired by a firm that does not provide consulting services to public defined benefit pension plans, was smooth and seamless. Marquette Associates has brought a fresh set of eyes to the portfolio and recommended minor adjustments to help the board meet funding goals.

Finally, do not underestimate the importance of MFPRSI to your retirement financial security. For the majority of us, the monthly benefit provided by MFPRSI will be the primary source of income in retirement. This stable source of income, available for life, will be something you can count on. It is one way the supportive citizens in the communities you serve say thanks for a life dedicated to public safety and service.

Do not hesitate to reach out to myself (emhartman@dmgov.org) or Marty Pottebaum (ispamarty@aol.com) with any questions. As always, stay safe and may God bless each of you!