

Minutes of the January 4, 2018 meeting of the Board of Trustees

Meeting was called to order at the offices of the Municipal Fire and Police Retirement System of Iowa, 7155 Lake Drive, West Des Moines, IA at 10:00 a.m. by Marty Pottebaum.

Attendees at the meeting were:

Board Members:

P. Kay Cmelik (via telephone)
Dan Ritter
Marty Pottebaum
Mary Bilden (via telephone)
Eric Hartman

June Anne Gaeta (via telephone)
Michelle Weidner (via telephone)
Duane Pitcher
Frank Guihan

Legislative Members:

Senator Wally Horn

Representative Dawn Pettengill

Contractual Consultants:

Phineas Troy – Summit Strategies
Doug Gross – BrownWinick

Alice Helle - BrownWinick
Cindy Lande – BrownWinick

Administration:

Terry Slattery – Executive Director
Dan Cassady – Deputy Director
Cody Jans – Investment/Communications Officer

BriAnna Nystrom – Executive Administrator
James Bybee – Accountant/Investment Officer
Blake Jeffrey – Accountant/Investment Officer

Guests:

Tim Pillack – Iowa State Police Association

Investment Manager Reports:

Marc Scholz, Director, Paul Stover, Senior Relationship Manager, Brent Heemskerk, Portfolio Analyst, and Todd White, Managing Director, from **Principal Global Investors** provided a periodic report to the Board concerning the firm's management of a domestic real estate portfolio on behalf of the System. The firm's representatives gave an organizational update, a summary of the performance of the fund, and an outlook of the real estate market. The representatives indicated that there are no legal or regulatory issues affecting the firm when queried by the Deputy Director. The firm responded to questions from the Board, Investment Consultant, and administration.

Cliff Yonce, Managing Director, and Kevin Kester, Managing Director, from **Siguler Guff** provided a periodic report to the Board concerning their management of one of MFPRSI's private equity portfolios. The firm's representatives gave a summary of the performance of the funds, as well as an outlook of the market. The representatives indicated that there are no legal or regulatory issues affecting the firm when queried by the Deputy Director. The Board, Investment Consultant, and Administration queried the representatives on various matters.

Consent Agenda and Informational Topics

The Board reviewed the following Consent Agenda topics:

Minutes and Schedules:

1. Review & Approval of Minutes of Previous Meeting(s)
2. Schedules – Calendars – Contract Summary

Benefit Activity Reports:

1. Communication Program Activity
2. DROP Program Activity Update

Development Program Reports:

1. Legislative Report

The Executive Director discussed several items in the Consent Agenda. A Board of Trustees member commented that the System was well received at the legislature's Public Retirement Systems committee meeting. The Executive Director discussed a bill regarding the resumption of the state appropriation. Members of the Board of Trustees thanked Representative Pettengill for her support of the State's pension systems.

Mary Bilden moved to adopt the consent agenda as discussed.

Motion was seconded by Duane Pitcher.

Motion was unanimously carried.

Financial Reports: The Deputy Director gave an update to the Board on the FY 2018 budget. The Chairman appointed himself, Mary Bilden, and P. Kay Cmelik to the FY 2019 budget committee.

Board Inquiries & any Misc. Discussion Items: The Executive Administrator discussed the document imaging project as part of 2018 System goals. She also discussed the fall/winter newsletter. She noted that the Cybersecurity Review has been completed but that training will be ongoing.

Discussion of Legal Matters & Imminent & Pending Litigation Cases: Representatives from the System's legal counsel, BrownWinick, indicated that an employer city is challenging the award of an accidental disability to District Court.

Consideration of & Determination on Appeal Case: (none)

Investment Performance Report: A representative from the System's investment consulting firm, Summit Strategies, reviewed with the Board the current investment market conditions as well as 2017 capital market performance.

Investment Program Update: A representative of the System's investment consultant, Summit Strategies, discussed the structure of the System's Private Equity portfolio as well as the System's Fixed Income portfolio structure.

Legal Counsel Service Review: Representatives of BrownWinick law firm reviewed with the Board the history of the firm's relationship with the System, the involvement of legal counsel in the System's projects and accomplishments in the past, and suggested involvement in future projects of the System.

Duane Pitcher moved to renew the legal contract with BrownWinick for an additional three-year term.

Motion was seconded by Mary Bilden.

Motion was unanimously carried.

Meeting was adjourned at 2:40 p.m.