

Minutes of the February 22, 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
Dan Ritter
Marty Pottebaum
Mary Bilden

June Anne Gaeta
Michelle Weidner (via telephone)
Duane Pitcher
Eric Hartman

Legislative Members:

Contractual Consultants:

Phineas Troy – Summit Strategies
Doug Gross – BrownWinick

Alice Helle - BrownWinick
Cindy Lande – BrownWinick

Administration:

Terry Slattery – Executive Director
Dan Cassady – Deputy Director
Blake Jeffrey – Accountant/Investment Officer

BriAnna Nystrom – Executive Administrator
Cody Jans – Investment/Communications Officer

Guests:

Mark Tomb – Iowa League of Cities

Investment Manager Reports:

Charles Fishman, Associate Portfolio Manager, and John Angliss, Relationship Manager, from the investment firm of **JP Morgan Asset Management**, provided a periodic report to the Board concerning the firm's management of a strategic global balanced portfolio on behalf of the System. Topics discussed included the firm's investment mandate, any personnel or organizational matters, the firm's view of the current status of the market as well as recent market volatility, and the performance of the portfolio since inception of the relationship.

Grantham, Mayo, Van Otterloo & Co. LLC representatives Brian Huggon, Relationship Manager and Catherine LeGraw, Asset Allocation, reviewed with the Board the performance of the strategic global balanced portfolio they manage on behalf of the System. Topics discussed included the firm's investment mandate, any personnel or organizational matters, the firm's view of the current status of the market, and the performance of the portfolio since inception of the relationship.

Top Tier Capital Partners managing directors Jessica Archibald and Garth Timoll, reviewed with the Board the performance of the Venture Velocity Fund 2 they manage on behalf of the System. Topics discussed included the firm's personnel or organizational matters, the firm's view of the current status of the market, and the performance of the portfolio being in the very early stages of the relationship.

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. The Executive Director discussed a bill regarding the resumption of the state appropriation and the funneling of any relevant System-related bills at the State Capitol.

Mary Bilden moved to adopt the consent agenda as discussed.

Motion was seconded by P. Kay Cmelik.

Motion was unanimously carried.

Financial Reports: The Deputy Director gave an update to the Board on the FY 2018 budget, and intent to fill an administrative staff position to bring the System to a full staffing level.

Board Inquiries & any Misc. Discussion Items: The Executive Administrator discussed plans to review software allowing further electronic member communication capabilities as part of the FY 2018 goals. Chairperson Pottebaum discussed the appointment of the citizen member.

Duane Pitcher moved to reappoint Mary Bilden as the citizen representative to the Board of Trustees for an additional four-year term.

Motion was seconded by June Anne Gaeta.

Motion was unanimously carried.

The Executive Director congratulated Duane Pitcher and June Anne Gaeta for being reappointed to the Board for additional four-year terms.

Discussion of Legal Matters & Imminent & Pending Litigation Cases: Representatives from the System's legal counsel, BrownWinick, discussed the current status of the Hamilton appeal in District Court.

Consideration of & Determination on Appeal Case:

Mary Bilden moved the Board go into closed session for discussion of the appeal subcommittee hearings concerning Justin Crowdis.

The motion was seconded by P. Kay Cmelik.

Roll call vote was taken as follows:

Dan Ritter	Aye	Marty Pottebaum	Aye
P. Kay Cmelik	Aye	June Anne Gaeta	Aye
Duane Pitcher	Aye	Eric Hartman	Aye
Michelle Weidner	Aye	Mary Bilden	Aye

The motion was unanimously carried.

Present during the closed session were:

Board Members

Duane Pitcher
Eric Hartman
P. Kay Cmelik
Dan Ritter

Marty Pottebaum
Michelle Weidner (via telephone)
June Anne Gaeta
Mary Bilden

Contractual Consultants

Doug Gross
Cindy Lande

Alice Helle

Administration

Terry Slattery – Executive Director
Blake Jeffrey – Accountant / Investment Officer
Cody Jans – Investment / Communications Officer

Dan Cassady – Deputy Director
BriAnna Nystrom – Executive Administrator

At the conclusion of the discussion, **Mary Bilden moved the Board conclude the closed session.**

The motion was seconded by P. Kay Cmelik.

Roll call vote was taken as follows:

Dan Ritter	Aye	Marty Pottebaum	Aye
Duane Pitcher	Aye	Michelle Weidner	Aye
P. Kay Cmelik	Aye	June Anne Gaeta	Aye
Eric Hartman	Aye	Mary Bilden	Aye

The motion was unanimously carried.

Mary Bilden moved to uphold the member's appeal and grant accidental disability in the case of Justin Crowdis.

Motion was seconded by Duane Pitcher.

Motion was unanimously carried.

Investment Performance Report: A representative from the System's investment consulting firm, Summit Strategies, discussed investment performance for both the markets and the Fund in 2017, and recent market volatility.

Investment Program Update: A representative of the System's investment consultant, Summit Strategies, discussed the System's Fixed Income portfolio structure and performance.

Duane Pitcher moved to terminate the contract with Aberdeen and reallocate the funds to Dodge & Cox.

Motion was seconded by Mary Bilden.

Motion was unanimously carried.

Statement of Investment Policies & Objectives: The Executive Director provided explanation for any necessary updates/changes to the Investment Policy.

P. Kay Cmelik moved to adopt the Investment Policies & Objectives as amended.

Motion was seconded by Mary Bilden.

Motion was unanimously carried.

GASB 68 Report Draft: The Deputy Director provided the Board with a draft of the 2018 GASB 68 for their information.

Meeting was adjourned at 1:30 p.m.