

Minutes of the April 5, 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
Frank Guihan

June Anne Gaeta
Michelle Weidner
Duane Pitcher
Eric Hartman

Contractual Consultants:

Phineas Troy – Summit Strategies
Doug Gross – BrownWinick

Alice Helle - BrownWinick

Administration:

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

BriAnna Nystrom – Executive Administrator
Cody Jans – Investment/Communications Officer
James Bybee – Accountant/Investment Officer

Guests:

Erin Mullenix – Iowa League of Cities

Investment Manager Reports:

Jeff Antonacci, CFA, Vice President, and Matthew Zenz, Portfolio Manager from the investment firm, **Dimensional Fund Advisors**, provided a periodic report to the Board concerning the firm's management of a U.S. Small Cap Trust portfolio on behalf of MFPRSI. Topics discussed included the firm's investment mandate, any personnel or organizational matters, the firm's investment philosophies, the firm's view of the current status of the market, and the performance of the portfolio since inception of

the relationship. The Board and administration queried the representatives on various matters, including any legal, organizational, or compliance issues facing the firm. The firm's representatives reported there were no legal issues facing the firm.

Jeff Gandel, Managing Director, from **Long Wharf Capital LLC** provided a periodic report to the Board concerning the firm's management of a real estate partnership on behalf of the System. The firm's representative gave an organizational update, a summary of the performance of the fund and a review of current holdings. The representative discussed the firm's current litigation and indicated it has no impact on the management of the System's investment. It was also mentioned there are no regulatory issues affecting the firm when queried by the Deputy Director. The firm responded to questions from the Board and administration.

JP Morgan Asset Management representatives Melissa Anezinis, Portfolio Manager, and John Angliss, Vice President, Relationship Manager, reviewed with the Board the performance of the domestic real estate 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. The Board, consultant, Executive Director, and Deputy Director queried the representatives on various topics including legal and compliance issues affecting the firm.

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
3. Suspension & Withholding Report

Development Program Reports:

1. Legislative Report

P. Kay Cmelik moved to adopt the consent agenda as discussed.

Motion was seconded by Mary Bilden.

Motion was unanimously carried.

Financial Reports: The Deputy Director gave an update to the Board on the FY 2018 budget.

Board Inquiries & any Misc. Discussion Items: The Executive Administrator discussed the FY 2018 goals of annual statements, the spring/summer newsletter, pension officer training, member handbook, member records electronic access, management succession planning and updating the strategic plan.

Discussion of Legal Matters & Imminent & Pending Litigation Cases: A representative from the System's legal counsel, BrownWinick, discussed the current status of the Hamilton appeal in District Court and noted that the City of Des Moines has filed a brief.

Consideration of & Determination on Appeal Case: (None)

Investment Program Update: A representative of the System's investment consultant, Summit Strategies, discussed and gave a recommendation regarding the System's Private Equity portfolio.

Eric Hartman moved to commit \$40mm to the Siguler Guff Hawkeye Opportunities fund as part of the 2018 private equity commitment.

Motion was seconded by Mary Bilden.

Motion was unanimously carried.

The representative also discussed the System's Real Estate portfolio.

Investment Performance Report: A representative from the System’s investment consulting firm, Summit Strategies, gave an investment market update for the quarter ended March 31, 2018.

Strategic Planning Update: The Executive Administrator gave an update on Strategic Planning. The Deputy Director discussed administrative costs and investment performance. A representative from the System’s investment consulting firm, Summit Strategies, discussed the System’s investment allocation versus similar retirement systems.

Consideration of Budget, Administrative Policy Manual, & Board Manual for FY19: The Deputy Director discussed changes to the administrative policy, management policies, and proposed budget.

Mary Bilden moved the Board go into closed session for a personnel evaluation at the written request of the employees pursuant to Section 21.5, subsection (1) paragraph (i).

Motion was seconded by June Anne Gaeta.

Roll call vote was taken as follows:

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

Present during the closed session were:

Board Members

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

Contractual Consultants

Doug Gross	Alice Helle
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At the conclusion of the discussion, **Mary Bilden moved the Board conclude the closed session.**

Motion was seconded by P. Kay Cmelik.

Roll call vote was taken as follows:

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

The Board evaluated the job performance of the Executive Director and Deputy Director, discussed the contributions of management to the accomplishments of the System's goals during the last year, and outlined the goals for FY19.

P. Kay Cmelik moved to approve the administrative policy manual, management policies, and the fiscal year 2019 budget as presented by the Committee with a 1.1 and 3.15 percent compensation increase for the Director and Deputy Director, respectively.

Motion was seconded by Frank Guihan.

Motion was unanimously carried.

The Executive Director discussed changes to the Board manual.

P. Kay Cmelik moved to approve the Board manual.

Motion was seconded by Mary Bilden.

Motion was unanimously carried.

Meeting was adjourned at 2:45 p.m.