

**Minutes of the June 28, 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:

Frank Guihan  
Bob Fagen  
Marty Pottebaum  
Mary Bilden  
P. Kay Cmelik

June Anne Gaeta  
Michelle Weidner  
Duane Pitcher  
Eric Hartman

Legislative Members:

Senator Wally Horn

Contractual Consultants:

Phineas Troy – Summit Strategies  
Doug Gross – BrownWinick

Alice Helle - BrownWinick  
Cynthia Boyle Lande – BrownWinick

Administration:

Terry Slattery – Executive Director  
Cody Jans – Investment/Communications Officer

Dan Cassady – Deputy Director  
James Bybee – Accountant/Investment Officer

Guests:

Tim Pillack – Iowa State Police Association

New Board of Trustees member, Bob Fagen, was introduced to the Board.

Investment Manager Reports:

Joseph Nahas, Senior Vice President, Investor Relations from the investment firm, **Equus**, provided a periodic report to the Board concerning the firm's management of a U.S. real estate fund for the retirement system. 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 representative on various matters, including any legal, organizational, or compliance issues facing the firm. The firm's representative reported there were no legal issues facing the firm.

Tony Brekke, Vice President, Portfolio Manager from the investment firm, **Dodge & Cox**, provided a periodic report to the Board concerning the firm's management of a U.S. fixed income separate account for the retirement system. 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 representative on various matters, including any legal, organizational, or compliance issues facing the firm. The firm's representative reported there were no legal issues facing the firm.

Richard Gall, Client Service Director, and Fraser Thomson, Client Service Director, from the investment firm, **Baillie Gifford**, provided a periodic report to the Board concerning the firm's management of the Baillie Gifford International Choice Fund 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.

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 carried with all voting ‘aye’ except Bob Fagen abstaining from the vote.**

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

Board Inquiries & any Misc. Discussion Items: The Deputy Director discussed the FY 2018 goals of the newsletter, member handbook, member record electronic access, cybersecurity, GASB issues, and management succession planning.

A board member commented on two conference that he attended recently.

Discussion of Legal Matters & Imminent & Pending Litigation Cases: Representatives from the System’s legal counsel, BrownWinick, reported that there will be a determination on the Hamilton case any day now.

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 investment market performance through June 22, 2018.

Investment Program Update: A representative of the System’s investment consultant, Summit Strategies, discussed the System’s equity and fixed income portfolios.

System Funding Policy: The Executive Director discussed an update to the System’s Funding Policy.

**Bob Fagen moved to make the recommended changes to the System’s Funding Policy.**

**Motion was seconded by Michelle Weidner.**

**Motion was unanimously carried.**

The Chair expressed The Board's appreciation to Senator Wally Horn for his many years of service to the Board of Trustees as a Non-Voting Member.

Meeting was adjourned at 2:30 p.m.