

Minutes of the August 16, 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 10:02 a.m. by Marty Pottebaum.

Attendees at the meeting were:

Board Members:

Frank Guihan
Bob Fagen
Marty Pottebaum
Mary Bilden (via telephone)
P. Kay Cmelik

June Anne Gaeta
Michelle Weidner
Duane Pitcher
Eric Hartman

Legislative Members:

Senator Wally Horn

Contractual Consultants:

Phineas Troy – Summit Strategies
Eileen Wixted – Wixted & Co.

Doug Gross – BrownWinick
Jordan Rose – Wixted & Co.

Administration:

Terry Slattery – Executive Director
BriAnna Nystrom – Executive Administrator
Cody Jans – Investment/Communications Officer

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

Guests:

Bridget Godes – Iowa Senate Democrats

Karla Lower – City of Urbandale

Investment Manager Reports:

Gregory Murphy, Institutional Client Portfolio Manager from the firm of **Tortoise Capital Advisors** provided a periodic report to the Board concerning their management of a Master Limited Partnership Portfolio for the System. The Board and administration queried the representative on various matters, including any legal and organizational issues facing the firm.

Andrew Samalis, Director, Client Relations, and Warren DeKinder, Managing Director, from the investment firm of **INTECH**, provided a periodic report to the Board concerning the firm's management of a Broad Enhanced Plus Portfolio for the 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 representatives on various matters, including any legal and organizational issues facing the firm. The firm's representatives reported there were no legal issues facing the firm.

Gil Tenzer, Partner, RE Portfolio Manager, and Tim Percarpio, CFA, Managing Director, from **Contrarian Capital Management, LLC** provided a periodic report to the Board concerning the firm's management of two distressed real estate debt portfolios on behalf of the System. The firm's representatives discussed with the Board the performance of the funds, the current market outlook, and the investments held in the funds. The representatives indicated that there are no legal or regulatory issues affecting the portfolios. The firm responded to questions from the Board and administration.

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
4. Annual Escalator Report

Development Program Reports:

1. Legislative Report
2. Sudan, Iran, & Israel Divestment Reports

The Executive Director and Deputy Director discussed several items in the Consent Agenda.

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

Motion was seconded by Michelle Weidner.

Motion was unanimously carried.

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

Senator Wally Horn said good-bye to the Board of Trustees after many years of service.

A representative from the System's investment consultant, Phineas Troy, discussed organizational changes at Summit Strategies.

Mary Bilden moved the Board go into closed session for discussion of strategy with counsel in matters that are presently in litigation or where litigation is imminent pursuant to Section 21.5, subsection (1) paragraph (c).

Motion was seconded by June Anne Gaeta.

Roll call vote was taken as follows:

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

The motion was unanimously carried.

Present during the closed session were:

Board Members

P. Kay Cmelik
Duane Pitcher
Bob Fagen
Marty Pottebaum
Mary Bilden (via telephone)

June Anne Gaeta
Frank Guihan
Eric Hartman
Michelle Weidner

Contractual Consultants

Doug Gross

Administration

Terry Slattery – Executive Director
BriAnna Nystrom – Executive Administrator
Cody Jans – Investment/Communications Officer

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

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

The motion was seconded by Frank Guihan.

Roll call vote was taken as follows:

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

The motion was unanimously carried.

Board Inquiries & any Misc. Discussion Items: The Executive Administrator discussed the FY 2019 goals including the communications program efforts and member electronic access. The Executive Director discussed an IPFF request for an actuarial study.

Eric Hartman moved to direct SilverStone to do the IPFF requested study as long as the study is funded by IPFF.

Motion was seconded by June Anne Gaeta.

Motion was unanimously carried.

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

Discussion of Legal Matters & Imminent & Pending Litigation Cases: Representatives from the System's legal counsel, BrownWinick, discussed the Tribune and Daimler cases. They reported that the District Court judge in the Hamilton case issued his ruling upholding the System's decision; furthermore, no additional appeal was filed. Finally, a few subrogation cases were discussed.

Consideration of & Determination on Appeal Case: (None)

Service Provider Review: Communications Consultant: Representatives of Wixted & Co. reviewed with the Board the history of the firm's relationship with the System, the involvement of Wixted in the System's projects and accomplishments in the past, and suggested involvement in future projects of the System.

P. Kay Cmelik moved to renew the contract with Wixted for three years including an increase in fees effective January 1, 2019.

Motion was seconded by Michelle Weidner.

Motion was unanimously carried.

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 reports of performance for both the System's portfolio and the investment markets as of June 30, 2018.

Investment Program Update: A representative of the System's investment consultant, Summit Strategies, provided a real estate portfolio recommendation.

Eric Hartman moved to commit \$30 million to the Equus Investment Partnership Fund XI for 2018.

Motion was seconded by Bob Fagen.

Motion was unanimously carried.

Strategic Planning: Review of Risk/Return Measurement: A representative from the System's investment consultant, Summit Strategies, gave a presentation regarding a review of the risk/return measurement including an explanation of standard deviation.

The Deputy Director notified the Board of Trustees that a current tenant may be leaving the building.

Meeting was adjourned at 3:51 p.m.