

Minutes of the October 3, 2019 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:

Mary Bilden
P. Kay Cmelik
Marty Pottebaum
Eric Hartman

June Anne Gaeta
Michelle Weidner
Duane Pitcher
Bob Fagen

Contractual Consultants:

Doug Gross – BrownWinick
Alice Helle – BrownWinick
Cynthia Boyle Lande – BrownWinick

Dave Smith – Marquette
Doug Oest – Marquette

Administration:

Terry Slattery – Executive Director
BriAnna Nystrom – Executive Administrator
James Bybee – Accountant/Investment Officer

Dan Cassady – Deputy Director
Blake Jeffrey – Accountant/Investment Officer
Cody Jans – Investment/Communications Officer

Guests:

Erin Mullenix – Iowa League of Cities Research Director
Bridget Godes – Iowa Senate Democrats Research Analyst
Brian Guillaume – Iowa House Democrats Research Analyst
Dylan Keller – Senate Republican Caucus Legislative Analyst
Jennifer Acton – Legislative Services Agency Division Administrator 2
Ed Cook – Legislative Services Agency Senior Legal Counsel

Investment Manager Reports:

Scott White, Principal, and Matt Autrey, Principal, from the firm of **Adams Street Partners** provided a periodic report to the Board concerning the firm's management of several of MFPRSI's private equity portfolios. The Board queried the representatives on issues pertaining to the portfolios and sector performance. The representatives indicated that there are no current legal or organizational issues affecting the firm when queried by the Executive Director.

Fran Peters, Principal, Investor Relations, and Chris Row, Vice President, at **HarbourVest Partners LLC** provided a periodic report to the Board concerning the firm's management of several of MFPRSI's private equity portfolios. The Board queried the representatives on issues pertaining to the portfolios, ESG investing (Environmental, Social, and Governance criteria), and private equity performance fee structure. The representatives indicated that there are no current legal or organizational issues affecting the firm when queried by the Executive Director.

Andreas Katsaros, Director, from **InfraRed Capital Partners** provided a periodic report to the Board concerning the firm's management of an international real estate portfolio on behalf of MFPRSI. The firm's representative discussed with the Board the performance of the fund, the current market outlook, and the investments held in the fund. The representative indicated that there are no legal or organizational issues affecting the portfolio. 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

Development Program Reports:

1. Legislative Report

The Executive Director discussed the Consent Agenda.

P. Kay Cmelik moved to adopt the consent agenda with the exception of the 2020 calendar.

Motion was seconded by Mary Bilden.

Motion was unanimously carried.

Financial Reports: The Deputy Director discussed the budgets for fiscal years 2019 and 2020.

Board Inquiries & any Misc. Discussion Items: The Executive Administrator and Deputy Director discussed Fiscal Year 2020 goals including member online access, the communications program including a disabilities video and the annual report member profile interviews, and development of PTSD standards/guidelines. A Board member discussed requesting final fire investigation reports during the disability application process.

Discussion of Legal Matters & Imminent & Pending Litigation Cases: Representatives from MFPRSI's legal counsel, BrownWinick, reported that the retirement system won the Paulson case and there will be no appeal. They also indicated that several matters are being negotiated with regards to the Northern Trust custodian bank contract. Additionally, there are numerous significant issues holding back the JPMorgan infrastructure contract.

Audit Report & Actuarial Report for FY19: Lealan Miller, Partner from Eide Bailly, presented and reviewed for the Board the results of its annual audit of MFPRSI for the period ending June 30, 2019.

Mary Bilden moved to accept the fiscal year 2019 audit report.

Motion was seconded by Michelle Weidner.

Motion was unanimously carried.

Service Provider Review: Auditor: MFPRSI's auditing firm, Eide Bailly, discussed with the Board the firm's responsibilities to the retirement system, the firm's organizational structure, and the individual roles within the firm.

P. Kay Cmelik moved to retain Eide Bailly as MFPRSI's auditor for another three years subject to successful contract negotiations.

Motion was seconded by Bob Fagen.

Motion was unanimously carried.

Audit Report & Actuarial Report for FY19 (cont.): Glen Gahan, Principal from SilverStone Group, MFPRSI's actuary, presented to the Board the results of the July 1, 2019 actuarial valuation of the retirement system. The Board and actuary discussed the information provided in the report.

P. Kay Cmelik moved to accept the fiscal year 2019 actuary report.

Motion was seconded by Mary Bilden.

Motion was unanimously carried.

Duane Pitcher moved to approve the city contribution rate at 25.31% effective July 1, 2020.

Motion was seconded by Mary Bilden.

Motion was unanimously carried.

Investment Performance Report: Representatives from MFPRSI's investment consulting firm, Marquette, reviewed with the Board the current investment market conditions as well as reports of performance for both MFPRSI's portfolio and the investment markets as of August 31, 2019.

Statement of Investment Policies & Objectives: Representatives from MFPRSI's investment consulting firm, Marquette, provided explanation for any necessary updates/changes to the investment policy.

Duane Pitcher moved to adopt the Investment Policies & Objectives as amended.

Motion was seconded by Eric Hartman.

Motion was unanimously carried.

Investment Program Update: Representatives from MFPRSI's investment consulting firm, Marquette, discussed with the Board placing two investment funds, JP Morgan Strategic Property Fund and Schroders Diversified Growth, on "Alert" due to changes to the portfolio management teams.

Board Inquiries & any Misc. Discussion Items (cont.): The Chair thanked P.Kay Cmelik for her service to the Board.

2019 Interim Report to Legislature: The Executive Director discussed the report draft.

Mental Disability Guidelines: A representative from MFPRSI's legal counsel, BrownWinick, discussed possible mental disability guidelines with the Board.

P. Kay Cmelik moved to adopt the document, 'Mental Injury Factors', as a Policy Statement.

Motion was seconded by June Anne Gaeta.

Motion was unanimously carried.

Meeting was adjourned at 2:35 p.m.