

Minutes of the November 14, 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 1:01 p.m. by Marty Pottebaum.

Attendees at the meeting were:

Board Members:

Frank Guihan
Michelle Weidner (via telephone)
Marty Pottebaum
Eric Hartman

June Anne Gaeta
Mary Bilden
Duane Pitcher

Contractual Consultants:

Doug Gross – BrownWinick

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

Investment Consultant RFP Finalist Interviews:

Kevin Leonard, Partner, Rick Ciccione, Senior Consultant, and Tim Bruce, Partner at NEPC made a presentation to the Board. They discussed the firm's consulting process and services, its fee proposal, the qualifications and experience of the firm's professional staff. The firm's representatives reported to the Board that the firm is not subject to any legal or regulatory investigation or SEC inquiry.

David Sancewich, Managing Director, Sean Copus, Vice President, and Kristen Chase, Analyst at PCA made a presentation to the Board. They discussed the firm's organization, its consulting philosophy, litigation and regulatory issues, and the firm's fee proposal. The representatives reported to the Board that the firm is not subject to any legal or regulatory issues.

Dave Smith, Managing Partner, Doug Oest, Managing Partner, and Nat Kellogg, Managing Partner and Director of Manager Research from Marquette made a presentation to the Board. They discussed the firm's consulting process and services, its fee proposal, the qualifications and experience of the firm's professional staff. The firm's representatives reported to the Board that the firm is not subject to any legal or regulatory investigation or SEC inquiry.

Christian Eicher, Principal, and Tony Johnson, Senior Consultant at RVK made a presentation to the Board. They discussed the firm's organization, its consulting philosophy, litigation and regulatory issues, and the firm's fee proposal.

Meeting was adjourned at 5:21 p.m.

Minutes of the November 15, 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
Eric Hartman

June Anne Gaeta
Michelle Weidner (via telephone)
Duane Pitcher
Mary Bilden

Contractual Consultants:

Phineas Troy – Summit Strategies
Alice Helle – BrownWinick

Doug Gross – BrownWinick
Cynthia Boyle Lande – BrownWinick

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:

Mike Heller – ISPA Lobbyist

Investment Manager Reports:

Doug Manor, Principal, and Marc Dietrich, Senior Vice President at **Neuberger Berman** provided a periodic report to the Board concerning the firm's management of two of the System's private equity portfolios. The Board queried the representative on issues pertaining to the portfolios and personnel. The representative indicated that there are no current legal or regulatory issues affecting the firm when queried by the Deputy Director.

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 2019 Board Meeting Calendar in the Consent Agenda.

Mary Bilden moved to adopt the consent agenda.

Motion was seconded by Eric Hartman.

Motion was unanimously carried.

Financial Reports: The Deputy Director discussed the Fiscal Year 2019 Budget including the proposed budget for online member access and ongoing cost estimate.

Duane Pitcher moved to authorize the initial cost of online member access.

Motion was seconded by June Anne Gaeta.

Motion was unanimously carried.

Jamie Macmillan, Institutional Director, and Angus Sippe, Multi-Asset Portfolio Manager from the investment firm of **Schroders** 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, and the performance of the portfolio since inception of the relationship.

Jeremy Watt, Director, Russ Koesterich, Managing Director, and Matthew Estes, Director from the firm of **BlackRock** provided a periodic report to the Board concerning the firm’s management of a strategic global balanced portfolio on behalf of the System. The Board queried the representatives on issues pertaining to the portfolio and sector performance. The representatives indicated that there are no current legal or organizational issues facing the firm when queried by the Deputy Director.

Board Inquiries & any Misc. Discussion Items: The Executive Administrator discussed the FY 2019 goals including the Annual Report, the legislative guide, pension officer communication training, member online access, and succession planning. The Board also discussed Trustee business cards.

Discussion of Legal Matters & Imminent & Pending Litigation Cases: Representatives from the System’s legal counsel, BrownWinick, reported that a hearing is set for a subrogation matter some time out. Also, an appeal to District Court was filed in the Paulson appeal case.

Consideration of & Determination on Appeal Case: (Lenz)

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

The motion was seconded by Frank Guihan.

Roll call vote was taken as follows:

Bob Fagen	Aye	Marty Pottebaum	Aye
Frank Guihan	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
Frank Guihan
Bob Fagen

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

Contractual Consultants

Alice Helle

Cynthia Boyle Lande

Administration

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

Dan Cassady – Deputy Director
BriAnna Nystrom – Executive Administrator
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:

Bob Fagen Aye
Duane Pitcher Aye
Frank Guihan Aye
Eric Hartman Aye

Marty Pottebaum Aye
Michelle Weidner Aye
June Anne Gaeta Aye
Mary Bilden Aye

The motion was unanimously carried.

Frank Guihan moved to grant accidental disability in the case of Ronald Lenz.

Motion was seconded by Mary Bilden.

Motion was carried, with Bob Fagen and Duane Pitcher voting nay.

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 September 30, 2018.

Investment Program Update: A representative of the System's investment consultant, Summit Strategies, discussed the retirement system's real estate portfolio and gave a real estate portfolio recommendation.

Duane Pitcher moved to commit \$30 million to the Contrarian Distressed Real Estate Debt Fund IV for 2019.

Motion was seconded by Mary Bilden.

Motion was unanimously carried.

2019 Financial Evaluation Report to Legislature: The Executive Director discussed the final report with the Board.

Mary Bilden moved to adopt the 2019 Financial Evaluation Report to the Legislature.

Motion was seconded by Duane Pitcher.

Motion was unanimously carried.

Meeting was adjourned at 2:02 p.m.