

FLASH REPORT – Executive Summary
Board of Trustees Meeting
Thursday, January 3, 2019

The following represents an initial executive summary of the activities of the Board of Trustees of the Municipal Fire and Police Retirement System of Iowa at its recent meeting. The minutes of the meeting will be available at a later date, subsequent to their review and adoption by the Board of Trustees. To inquire or comment, please contact Terry Slattery, MFPRSI Director at (515) 254-9200.

Investment Manager Reports:

Representatives from **Principal Global Investors** provided a periodic report to the Board concerning the firm's management of a domestic real estate portfolio on behalf of MFPRSI. The Board queried the representatives on issues pertaining to the portfolios and personnel. The representatives indicated that there are no current legal or regulatory issues affecting the firm when queried by the deputy director.

Representatives from **Siguler Guff** provided a periodic report to the Board concerning their management of one of MFPRSI's private equity portfolios. The firm's representatives gave a summary of the performance of the funds, as well as an outlook of the market. The representatives indicated that there are no legal or regulatory issues affecting the firm when queried by the deputy director. The Board, investment consultant, and administration queried the representatives on various matters.

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 Board **moved** to adopt the consent agenda.

Financial Reports: The deputy director provided an update on the fiscal year 2019 budget which included an inclusion for covering the cost of a new online records electronic access system for members of the retirement system. The chairperson, Marty Pottebaum, appointed himself, Mary Bilden, and P. Kay Cmelik to the fiscal year 2020 budget committee.

Board Inquiries & any Misc. Discussion Items: The executive administrator discussed various topics related to the fiscal year 2019 goals for the retirement system. She provided an update on the status of the member records electronic access project. A letter written by a retired member of the retirement system concerning the earnings test requirement for disability retirements was provided for the Board's information.

Discussion of Legal Matters & Imminent & Pending Litigation Cases: Representatives from the retirement system's legal counsel, BrownWinick, provided an update on pending litigation against the retirement system and a subrogation case MFPRSI filed and ultimately dismissed.

Consideration of & Determination on Appeal Case: (none)

Investment Performance Report: A representative from MFPRSI's investment consulting firm, Mercer, reviewed with the Board the current investment market conditions as well as recent capital market performance.

Investment Program Update: A representative of MFPRSI's investment consultant, Mercer, discussed the structure of the retirement system's private equity portfolio and provided tentative groundwork for commitments in the 2019 calendar year. Additionally, representatives from MFPRSI's new investment consultant, Marquette Associates, provided a plan for transition of duties from Mercer to Marquette Associates. The executive director reported on a recent due diligence visit to the Marquette Associates office in Chicago.

Action on Mercer Contract: The Board discussed terminating the current investment consultant contract with Mercer and providing a 30-day notice. Included in this discussion was how to transition responsibilities from Mercer to the retirement system's new investment consultant, Marquette Associates.

The Board **moved** to terminate the investment consultant contract with Mercer with a 30-day notice starting January 4, 2019.