

MINUTES
BOARD OF TRUSTEES OF THE
INDIANA PUBLIC RETIREMENT SYSTEM
1 N. Capitol, Indianapolis, IN 46204
1st Floor Conference Room and Virtual Webcast

September 9, 2022

Board Members Present

Bret Swanson	Justin McAdam
Brian Abbott	Michael Pinkham
Tera Klutz (virtual)	Vivienne Ross
Kelly Mitchell (virtual)	David Frick

Guest Attenders

Jeffrey MacLean, Verus Investments

Staff Presenters

Steve Russo, Executive Director	Cheryl Harding, Director of Strategic Initiatives
Anthony Green, Deputy Executive Director	Robert Corne, Chief Financial Officer
Scott Davis, Chief Investment Officer	Jeff Gill, Chief Legal, Compliance & Procurement Officer
Matt Ackerman, Chief Benefits Officer	

Meeting called to order at 10:07 a.m. by Chairman Swanson.

In accordance with normal practice, Board members were provided electronically written materials in advance of the meeting. All votes were conducted via roll call due to electronic participation.

I. Approval of Minutes from June 24, 2022, Board of Trustees Meeting

MOTION duly made and carried to approve the Board of Trustees Meeting minutes from the June 24, 2022, Board meeting.

<i>Proposed by:</i>	<i>Bret Swanson</i>
<i>Seconded by:</i>	<i>Justin McAdam</i>
<i>Votes:</i>	<i>8 in favor, 0 opposed, 0 abstentions</i>

II. Unfinished Business

A. Investment Policy Statement - Governance

The investment staff recommended additions to the Investment Policy Statement (“IPS”) which would reaffirm the plan’s institutional commitment to its members and beneficiaries by emphasizing its fiduciary duties and those of its external investment managers. Scott Davis discussed how the IPS language would

supplement the existing language in the IPS that directs INPRS to invest for the sole benefit of members and beneficiaries and obligates its external investment managers to adhere to their fiduciary obligations as prudent investors. Mr. Davis discussed how the IPS language was meant to highlight that INPRS strictly focuses on its pecuniary goals and investment principles to achieve its target rate of return and will defer to public policy on geopolitical, environmental, and social issues.

MOTION duly made and carried to approve the addition to the Investment Policy Statement.

Proposed by: Bret Swanson
Seconded by: Justin McAdam
Votes: 8 in favor, 0 opposed, 0 abstentions

III. Required Business

None

IV. New Business

A. Proposed Indiana Administrative Code (IAC)

Jeff Gill discussed the introduction to proposed administrative rule changes for consideration of the Board. The rules should reflect the votes of the Board along with current law and current statute. IRS raised De Minimis overpayment amount from \$100 to \$250.

B. FY22 – A look Back

Steve Russo stated that INPRS managed pension plans remain well-funded and overall estimated aggregate funded status increased from 71.9% to 74.9%.

Cheryl Harding stated that regarding CEM Service results, INPRS continues to show strong performance in terms of being a low-cost high-service plan. We are ranked number one compared to not only our peers in the CEM peer group but also for participants involved within the benchmarking study.

Anthony Green handed out updated Balance Score Sheets to in-person attendees and pointed out to online attendees that the three red areas on the Balance Score Card were actually green after taking into consideration changes that took place the past year such as reducing the rate of return to 6.25% and reducing the 90-day standard retirement application turnaround process to 45 days. We have met the 98.5% metric measure.

Regarding FY22 At a Glance, Ms. Cheryl Harding stated that INPRS completed all 64 Key Operational Requirements (KORs) at 100%. She also discussed the nine Strategic goals and 36 objectives.

C. Benefits Administration Update

Matt Ackerman discussed that Key Performance Metrics were not met in June due to staffing levels but over the last several months, INPRS has hit the metric standards with employers reporting being highly satisfied with the service we're providing them. Mr. Ackerman also stated that INPRS has begun to aggressively pursue paying benefits out in timely manner with goal of 45 days rather than the standard 90 days with a 98.5% success rate except for the months of June and July which experienced higher than normal TRF retirements.

D. Investments Update

Scott Davis discussed investment numbers from June and July 2022 with fiscal year end had combined assets totaling \$42.5 billion, as of June 30, 2022.

Jeff MacLean discussed equity/bond relationships.

Scott Davis recognized Nick Detmer, Deputy CIO, who is leaving INPRS and who had worked for INPRS for nine plus years in various roles. He thanked Nick for his dedicated service to the members and to INPRS.

E. Financial Update

Robert Corne provided the financial update. The fiscal year 2022 numbers are currently under audit and adjustments will be made the following week.

F. Executive Director Report

Steve Russo discussed the summary of modification for fiscal year 2023 and the balance scorecard measures.

Mr. Russo discussed a new topic, the Strategic Plan Update dashboard which will provide visibility to the board real-time as we're moving through the year rather than waiting for updates every six months or annually. This provides more transparency how we're tracking our strategic plan.

V. **Other business as requested by the Board**

None

VI. **Preliminary Agenda for October 28, 2022, Board Meeting**

A copy of the preliminary agenda for the October 28, 2022, meeting was included in materials provided electronically to Board members.

There was no other business as requested by the Board discussed.

VII. Executive Session

A brief Executive Session was held pursuant to IC 5-14-1.5-6.1(b)(9).

As posted, the Board discussed personnel matters as authorized pursuant to IC 5-14-1.5-6.1(b)(9).

As required by IC 5-14-1.5-6.1(d), the Board hereby certifies that only subject matter related to IC 5-14-1.5-6.1(b)(9) was discussed and no decisions were taken during the executive session.

VIII. Adjournment