

**MINUTES
BOARD OF TRUSTEES OF THE
INDIANA PUBLIC RETIREMENT SYSTEM**

**Meeting held at:
One N. Capitol
1st Floor Conference Room
Indianapolis, Indiana 46204**

December 14, 2018

Board Members Present

Ken Cochran
Brian Abbott
Connie Plankenhorn
Tera Klutz

Kelly Mitchell
David Frick
Micah Vincent
Michael Pinkham

Guest Presenters

Jeff MacLean, Verus
Tiffany Spudich, Capital Cities

Joe Evans, RSM US LLP

Staff Presenters

Steve Russo, Executive Director
Scott Davis, Chief Investment Officer
Sam Fehrman, Senior Investment
Analyst
Tony Green, Chief Counsel

Teresa Snedigar, Chief Audit & Risk
Officer
Donna Grotz, Chief Finance and
Administration Officer

Meeting called to order at 10:03 a.m. by Chairman Cochran.

In accordance with normal practice, Board members were provided electronically written materials in advance of the meeting.

I. Approval of Minutes from October 26, 2018, Board of Trustees Meeting

MOTION duly made and carried to approve the Board of Trustees Meeting minutes from the October 26, 2018, Board meeting.

*Proposed by: Micah Vincent
Seconded by: Brian Abbott
Votes: 8 in favor, 0 opposed, 0 abstentions*

II. Unfinished Business

There was no unfinished business discussed by the Board.

III. Required Business

A. Election of Board Officers

Under Indiana Code 5-10.5-3-7, the Board shall elect a Chair and Vice Chair from its members to serve as officers. Officers shall serve for one year or until the officer's successor is elected and qualified. Chairman Cochran opened the floor for nominations.

MOTION duly made and carried to elect Bret Swanson as Chair of the INPRS Board of Trustees.

Proposed by: Micah Vincent
Seconded by: Tera Klutz
Votes: 8 in favor, 0 opposed, 0 abstentions

MOTION duly made and carried to elect Brian Abbott as Vice Chair of the INPRS Board of Trustees.

Proposed by: Michael Pinkham
Seconded by: Kelly Mitchell
Votes: 8 in favor, 0 opposed, 0 abstentions

B. Annual Independent External audit Review

Teresa Snedigar and Joe Evans of RSM US LLP presented the audit results for fiscal year 2018. Mr. Evans discussed the responsibility of Auditors, changes at the system, management's judgment and accounting estimates, and internal controls. The auditors determined that INPRS met all appropriate standards. INPRS received an unmodified opinion, dated November 16, 2018.

C. Indiana Administrative Code (IAC) Proposals

Tony Green presented proposed updates to the IAC. A written executive summary of the changes was given to the board for review. Mr. Green proposed new rules based on legislation and technical corrections. The Board will be asked to review public comments and approve the proposed updates to the IAC at the February 22, 2019, meeting.

D. Annual Defined Contribution (DC) Funds Review

Tiffany Spudich presented the annual Defined Contribution Funds overview. Ms. Spudich talked about the annual timeline for fiduciary oversight, the DC Plan overview, investment structure, INPRS imperatives, and DC plan investment menu. Ms. Spudich also provided an overview for each investment fund.

Sam Fehrman presented the INPRS Target Date Fund objectives and Risk Assessment. Mr. Fehrman discussed the timeline, objectives, the current glide path, and retirement readiness risks. Mr. Fehrman also talked about opportunities and provided a glide path comparison. Mr. Fehrman gave an overview of proposed modifications. The Board will be asked to approve the proposed modifications at the February 22, 2019 meeting.

IV. New Business

A. Financial Update

Donna Grotz presented the INPRS financial update to the Board. Ms. Grotz gave an overview of the fiscal year to date October 2018 financial results. Ms. Grotz talked about net position, the contributions, the expenses, and the administrative and investment expenses through October 2018.

B. Executive Director Report

Steve Russo presented the Executive Director's report. Mr. Russo provided an overview of the State Budget Committee meeting and INPRS recommended State appropriations. Mr. Russo summarized the Balance Scorecard (BSC) and discussed escalated BSC measures.

C. Investments Update

Jeff MacLean talked about the portfolio risks and economic sensitivity. Mr. MacLean also discussed the global economy, main drivers in the global market, global activity, and volatility.

Scott Davis presented the INPRS investment update to the Board. Mr. Davis gave an overview of team imperatives, provided highlights of INPRS' investments, and reviewed the INPRS investment portfolio as of October 31, 2018. Mr. Davis also talked about asset allocation, defined benefit performance, and defined

contribution funds' performance. Mr. Davis further reviewed the current managers on the watch list.

V. Proposed 2019 Board Meeting Schedule

A copy of the proposed 2019 Board Meeting schedule was included in materials provided electronically to Board members.

MOTION duly made and carried to accept the 2019 Board Meeting schedule.

Proposed by: Brian Abbott
Seconded by: Kelly Mitchell
Votes: 8 in favor, 0 opposed, 0 abstentions

VI. Preliminary Agenda for February 22, 2019 Board Meeting

A copy of the preliminary agenda for the February 22, 2019, meeting was included in materials provided electronically to Board members.

VII. Other business as requested by the Board

Brian Abbott presented a resolution thanking Ken Cochran for his service on the PERF and later INPRS Board from May 1, 2005, through December 31, 2018.

VIII. Executive Session

A brief Executive Session was held at pursuant to IC 5-14-1.5-6.1(b)(9) and IC 5-14-1.5-6.1(b)(2)(C).

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

As posted, the Board discussed strategy implementation of security systems as authorized pursuant to IC 5-14-1.5-6.1(b)(2)(C).

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) and IC 5-14-1.5-6.1(b)(2)(C) was discussed.

IX. Adjournment

MOTION duly made and carried to adjourn the September 14, 2018 Board meeting at 1:17 p.m.

Proposed by: Brian Abbott

Seconded by: *Michael Pinkham*
Votes: *8 in favor, 0 opposed, 0 abstentions*