

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

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

December 15, 2017

Board Members Present

Michael Pinkham
Ken Cochran
Brian Abbott
Connie Plankenhorn

Bret Swanson
Tera Klutz
Kelly Mitchell
David Frick

Guest Presenters

Jeff MacLean, Verus
Tiffany Spudich, Capital Cities
Bill Sarb, RSM US LLP

Sandy Halim, CEM Benchmarking

Staff Presenters

Steve Russo, Executive Director
Scott Davis, Chief Investment Officer
DeAndra Ballard
Tony Green, Chief Legal and
Compliance Officer

Teresa Snedigar, Chief Audit & Risk
Officer
Steve Keim, Director of Operations &
Deputy Chief Operations 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 27, 2017, Board of Trustees Meeting

MOTION duly made and carried to approve the Board of Trustees Meeting minutes from the October 27, 2017, Board meeting.

*Proposed by: David Frick
Seconded by: Brian Abbott
Votes: 8 in favor, 0 opposed, 0 abstentions*

II. Unfinished Business

The Board did not have any unfinished business.

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 reelect Ken Cochran as Chair and Bret Swanson as Vice Chair of the INPRS Board of Trustees.

Proposed by: Brian Abbott
Seconded by: David Frick
Votes: 8 in favor, 0 opposed, 0 abstentions

B. Annual Independent External audit Review

Teresa Snedigar and Bill Sarb of RSM US LLP presented the audit results for fiscal year 2017. Mr. Evans discussed management's judgment and accounting estimates. The auditors determined that INPRS met all appropriate standards. INPRS received an unmodified opinion, dated November 17, 2017.

C. Investment Policy Statement Revisions

Scott Davis presented a revised Investment Policy Statement. DeAndra Ballard reviewed the changes to the Investment Policy Statement. A copy was provided to the Board electronically for their review. The Board will be asked to approve the revised IPS at the February 23, 2018 meeting.

D. Annual ASA Funds Review

Scott Davis and Tiffany Spudich presented the annual Annuity Savings Account (ASA) plan overview. Related to the ASA, Ms. Spudich went on to discuss asset distribution as of September 30, 2017, the annual timeline for fiduciary oversight, and INPRS' imperatives. Ms. Spudich also provided an overview of the DC plan investment menu and a management fee analysis.

E. Indiana Administrative Code (IAC) Adoption

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 in the areas of social security integration. Mr. Green also discussed amendments to purchasing service under the Judges Retirement System, the Public Employees' Retirement System disability benefits eligibility, the Legislator's defined contribution plan loans repayment plan and acceptable payments, liability calculations of withdrawal of political subdivisions, Prosecuting attorney's retirement fund benefit computation, Teachers Retirement Fund rule on social security integration, and Article 2 Police and Firefighters' pension and disability fund corrections.

Mr. Green also talked about the new process to allow the public to comment on the proposed updates to the IAC. The Board will be asked to review public comments and approve the proposed updates to the IAC at the February 23, 2018 meeting.

IV. New Business

A. Operations Update

Steve Keim summarized the department's performance, the amount of retirements received by fund, and retirement satisfaction. Mr. Keim gave an overview on the Call Center, which included call center volume, service level, complaints summary, and call center satisfaction.

B. Investments Update

Sandy Halim presented the CEM Investment Benchmarking report for the year ending December 31, 2016. Ms. Halim summarized the benchmarking results for the defined benefit and defined contribution plans.

Scott Davis presented the INPRS investment update to the Board. He discussed team imperatives and provided highlights as of October 31, 2017. Mr. Davis also reviewed the INPRS' investment portfolio and performance as of October 31, 2017.

C. Financial Update

Donna Grotz presented the INPRS financial update to the Board. Ms. Grotz began with a summary of the financial results as of October 2017. Ms. Grotz reviewed the administrative and investment expenses July 2017 through October 2017. Ms. Grotz also talked about the contributions scorecard as of October 2017.

D. Executive Director Report

Steve Russo presented the Executive Director's report. Mr. Russo mentioned a Line of Duty death. Mr. Russo gave an update for the Recordkeeper and ASA Annuity transition. Mr. Russo also discussed potential legislation with COLA reserve accounts. Lastly, Mr. Russo summarized the Balance Scorecard.

V. Proposed 2018 Board Meeting Schedule

A copy of the proposed 2018 Board Meeting schedule was included in materials provided electronically to Board members.

MOTION duly made and carried to accept the 2018 Board Meeting schedule.

Proposed by: Mike Pinkham
Seconded by: Brian Abbott
Votes: 8 in favor, 0 opposed, 0 abstentions

VI. Preliminary Agenda for February 23, 2018 Board Meeting

A copy of the preliminary agenda for the February 23, 2018, meeting was included in materials provided electronically to Board members.

VII. Executive Session

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

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

The Board did not discuss 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)(2)(C) was discussed.

VIII. Adjournment

MOTION duly made and carried to adjourn the October 27, 2017, Board meeting at 2:37 p.m.

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