

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

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

June 22, 2018

Board Members Present

Michael Pinkham
Brian Abbott
Connie Plankenhorn
Ken Cochran

Tera Klutz
Kelly Mitchell
David Frick
Micah Vincent

Guest Presenters

Scott Whalen, Verus
Sandy Halim, CEM Benchmarking

Staff Presenters

Steve Russo, Executive Director
Amanda Farrer, Strategic Comm
Engagement/Research Analyst
John Lambertus, Stakeholder Research
Analyst
Jeff Hutson, Chief Communications
Officer

Tony Green, Chief Legal and
Compliance Officer
Donna Grotz, Chief Finance and
Administration Officer
Scott Davis, Chief Investment Officer

Meeting called to order at 10:01 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 February 23, 2018, Board of Trustees Meeting

MOTION duly made and carried to approve the Board of Trustees Meeting minutes from the April 20, 2018, Board meeting.

<i>Proposed by:</i>	<i>Micah Vincent</i>
<i>Seconded by:</i>	<i>David Frick</i>
<i>Votes:</i>	<i>8 in favor, 0 opposed, 0 abstentions</i>

II. Unfinished Business

No unfinished business was discussed by the Board

III. Required Business

A. Indiana Administrative Code (IAC) Proposals

Tony Green briefly reviewed 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 September 14, 2018 meeting.

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 the record keeper transition. Mr. Green also proposed rules regarding prior service and vesting in the PERF My Choice plan as well as other technical corrections needed.

B. FY19-FY21 Strategic Plan Approval

Steve Russo discussed the Preliminary FY 2019-2021 Strategic Plan presented at the April 20, 2018 Board meeting. Mr. Russo talked about the top priorities for FY19. No material changes were made to the material reviewed at the April 20th meeting.

MOTION duly made and carried to approve recommendation of FY19 – FY 21 Strategic Plan.

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

C. FY19 Budget Approval

Donna Grotz discussed the 2019 fiscal year budget drivers. Ms. Grotz also talked about the FY19 risks and opportunities. Ms. Grotz summarized the administrative budget and investment expense budget.

MOTION duly made and carried to approve recommendation of FY19 budget as presented.

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

D. FY19 Internal Audit Plan Approval

Teresa Snedigar presented FY18 audit results. Twelve audits were completed out of twenty-four planned and five are in progress. Ms. Snedigar also presented the FY19 audit plan.

MOTION duly made and carried to approve the audit plan as presented.

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

IV. New Business

A. CEM Benchmarking Review

Sandy Halim from CEM Benchmarking presented the INPRS Pension Administration Benchmarking results for fiscal year 2017. Ms. Halim talked about total pension administration cost, the average, and reasons why the total cost was below peer average. Ms. Halim discussed transaction volumes per member, cost trends, and total service score in comparison to peer median.

B. Outreach & Communications Update

Amanda Farrer and John Lambertus presented the Voice of the Customer and how it can help members on the road to retirement. Ms. Farrer and Mr. Lambertus talked about surveys taken along the road to retirement and how the results will help to improve the retirement process.

Jeff Hutson presented the Outreach and Communications update. Mr. Hutson talked about member engagement, engagement driven initiatives, measuring engagement, and engagement ranking among peers. Mr. Hutson also discussed member expectations, employer expectations, and the next steps for engagement and education.

C. Investment Update

Scott Davis presented the INPRS highlights as of May 31, 2018. Mr. Davis also talked about the defined benefit (“DB”) and defined contribution (“DC”) team imperatives. Mr. Davis summarized the DB portfolio and performance as of May 31, 2018. Mr. Davis also gave an overview on the DC performance as of May 31, 2018. Scott Whalen talked about risk and economic sensitivity.

D. Financial Update

Donna Grotz presented the INPRS financial update. Ms. Grotz summarized the financial results and the contributions scorecard as of the end of May 2018. Ms. Grotz also discussed the administrative and investment expenses July 2017 through May 2018.

E. Executive Director Report

Steve Russo presented the Executive Director's report. Mr. Russo noted a line of duty death. Mr. Russo also summarized the Balance Scorecard, escalated BSC measures, and the Indiana Transparency Portal.

V. **Preliminary Agenda for September 14, 2018 Board Meeting**

A copy of the preliminary agenda for the September 14, 2018, meeting was included in materials provided electronically to Board members.

VI. **Board Education**

A. Fiduciary Issues for Governmental Defined Contribution Plans

Michael Paton discussed fiduciary issues for governmental DC plans. He went over fiduciary basics, the two types of roles, and the four basic duties under Section 404 of ERISA. Mr. Paton also talked about investment advice versus education. Mr. Paton provided examples of non-fiduciary education.

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

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

VIII. **Adjournment**

MOTION duly made and carried to adjourn the April 20, 2018 Board meeting at 1:07 p.m.

Proposed by: Mike Pinkham
Seconded by: Tera Klutz
Votes: 8 in favor, 0 opposed, 0 abstentions