

**MINUTES
BOARD OF TRUSTEES OF THE
INDIANA PUBLIC RETIREMENT SYSTEM
1 N. Capitol, Indianapolis, IN 46204
1st Floor Conference Room and Virtual Webcast
[Pursuant to Executive Order 20-09 and extensions]**

February 18, 2022

Board Members Present

Michael Pinkham (virtual)
Brian Abbott
David Frick
Bret Swanson

Tera Klutz
Kelly Mitchell
Justin McAdam (arrived late)

Guest Presenters

Mark Brubaker, Verus
Rick Funston, Funston Advisory
Services
Brent Banister, Cavanaugh Macdonald

Staff Presenters

Steve Russo, Executive Director
Tony Green, Deputy Executive Director
Andy Blough, Chief Actuary
Scott Davis, Chief Investment Officer

Cheryl Harding, Director of Strategic
Initiatives
Robert Corne, Chief Financial Officer
Keith Hall, Chief Audit and Risk Officer

Meeting called to order at 10:05 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 December 10, 2021, Board of Trustees Meeting

MOTION duly made and carried to approve the Board of Trustees Meeting minutes from the December 10, 2021, Board meeting.

*Proposed by: Brian Abbott
Seconded by: Kelly Mitchell
Votes: 6 in favor, 0 opposed, 0 abstentions (Justin McAdam was absent)*

II. Board Education

Enterprise Performance Risk Management

Keith Hall and Rick Funston presented the Enterprise Performance Risk Management (EPRM) strategy. Mr. Funston gave an overview, project purpose, conventional enterprise risk management versus EPRM, INPRS current state and recommendations, characteristics of EPRM, use of Balanced scorecard, lines of relationship with the Board, future state characteristics, and steps to future state. Mr. Hall talked about Board Smart talks strategy and risk.

III. **Required Business**

There was no required business discussed by the Board.

IV. **Unfinished Business**

There was no unfinished business discussed by the Board.

V. **New Business**

A. **Internal Audit Update**

Keith Hall presented FY22 audit results. Mr. Hall reviewed the internal audit purpose. Mr. Hall discussed nine audits have been completed to date out of seventeen planned and eight are in progress. Mr. Hall also talked about continuing education.

B. **Strategic Plan Update**

Cheryl Harding provided a mid-year update. Ms. Harding summarized FY2022 strategic plan objectives and challenges. Four objectives have been completed, sixteen are on track for completion, and eight will carry over to FY2023 as planned. Additionally, all sixty-four annual key operational requirements are on track to complete as planned. Ms. Harding also talked about strategic planning for fiscal year 2023-2025.

C. **2022 Actuarial Assumptions & Methods**

Brent Banister of Cavanaugh Macdonald presented the recommended INPRS assumptions for the 2022 actuarial valuations. Mr. Banister gave an overview of the actuarial assumptions and methods, demographic assumptions, and economic assumptions, including future inflation expectations and COVID experience. Mr. Banister talked about the Post-retirement Benefit Increase (PBI) assumption for 2022 and how it will align with 2021 legislation.

D. **Financial Update**

Robert Corne presented the INPRS financial update. Mr. Corne summarized the financial results, administrative and investment expenses as of the end of

December 2021. Mr. Corne also talked about the expense forecast for fiscal year 2022 and Supplemental Reserve Accounts (SRAs).

E. Operations Update

Tony Green presented an overview of changes within the organization. Mr. Green discussed steps for changes and the future structure of departments.

F. Investments Update

Scott Davis presented the INPRS investment update to the Board. Mr. Davis provided highlights of INPRS' investments and reviewed the INPRS investment portfolio as of December 31, 2021. Mr. Davis provided a brief overview about asset allocation, defined benefit performance, and defined contribution funds' performance.

Mark Brubaker discussed portfolio risk. Mr. Brubaker talked about inflation risk, active risk, and the liquidity coverage ratio.

G. Executive Director Report

Steve Russo presented the Executive Director's report. Mr. Russo noted three line of duty deaths. Mr. Russo provided an update on the 2022 Legislative Session and gave a brief summary of the Balance Scorecard.

VI. **Preliminary Agenda for April 29, 2022, Board Meeting**

A copy of the preliminary agenda for the April 29, 2022, meeting was included in materials provided electronically to Board members.

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 February 18, 2022 Board meeting adjourned at 1:03 p.m.

Proposed by: David Frick
Seconded by: Justin McAdam
Votes: 7 in favor, 0 opposed, 0 abstentions