

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

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

February 22, 2019

Board Members Present

Michael Pinkham
Brian Abbott
Connie Plankenhorn
Bret Swanson

Tera Klutz
Kelly Mitchell
David Frick
Micah Vincent

Guest Presenters

Jeff MacLean, Verus
Tiffany Spudich, Capital Cities
Brent Banister, Cavanaugh Macdonald

Staff Presenters

Steve Russo, Executive Director
Sam Fehrman, Senior Investment
Analyst
Natalie Derrickson, Director of Strategic
Communications
Andy Blough, Chief Actuary

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

Meeting called to order at 10:02 a.m. by Chairman Swanson.

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

I. Approval of Minutes from December 14, 2018, Board of Trustees Meeting

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

*Proposed by: Micah Vincent
Seconded by: Mike Pinkham
Votes: 8 in favor, 0 opposed, 0 abstentions*

II. Unfinished Business

A. Defined Contribution Target Date Funds

Sam Fehrman discussed a proposed target allocation modification. Mr. Fehrman gave a summary of the target date fund series and implementation timeline.

Natalie Derrickson discussed the communication and education component of the proposed target allocation modification.

Scott Davis discussed the administrative costs associated with the proposed target allocation modification.

MOTION duly made and carried to approve the proposed target allocation modification as presented.

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

B. Indiana Administrative Code (IAC) Adoption

Tony Green presented revised proposed updates to the IAC. A copy was provided to the Board electronically for their review. Recommended revisions were discussed at the December 14, 2018 meeting. No public comments were received.

MOTION duly made and carried to approve all of the changes to the IAC presented in Board Resolution No. 2019-02-22.

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

III. Required Business

A. Indiana Administrative Code (IAC) Proposals

Tony Green presented proposed new rules based on legislation. A written executive summary of the rules was given to the board for review. Mr. Green summarized the differences between the TRF My Choice Plan and PERF My Choice Plan. Mr. Green also summarized a few technical corrections needed to the PERF My Choice plan. The Board will be asked to review public comments and approve the proposed updates to the IAC at the May 3, 2019, meeting.

B. Proposed Investment Policy Statement Updates

Scott Davis presented a revised Investment Policy Statement. A copy was provided to the Board electronically for review. Scott discussed the changes to the

Investment Policy Statement. Recommended revision to the Revised Target Date Fund objective were discussed.

MOTION duly made and carried to adopt the revised INPRS Investment Policy Statement with the Revised Target Date Fund Objective to read “the maximum appropriate amount of total return”.

Proposed by: Tera Klutz
Seconded by: Kelly Mitchell
Votes: 8 in favor, 0 opposed, 0 abstentions

IV. New Business

A. FY19 Actuarial Assumptions & Methods

Andy Blough and Brent Banister presented the INPRS assumptions for the FY2019 actuarial valuations. Mr. Banister talked about FY19 actuarial valuation assumptions and methods, including detail on the Postretirement Benefit Increase (PBI) assumptions. Mr. Banister recommended actuarial assumptions used in 2018 be generally retained for 2019, except for PBIs if 2019 legislation requires it. Mr. Banister and Steve Russo discussed the PBI Assumption for 2019. The PBI assumption for five of the funds was last updated in 2018 due to the effects of 2018 Senate Enrolled Act 373.

B. Financial Update

Donna Grotz presented the INPRS financial update. Ms. Grotz summarized the administrative and investment expense forecast, the financial results, and the supplemental reserve accounts as of the end of January 2019.

C. Investment 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 January 31, 2019. 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.

Jeff MacLean talked about the global markets and global economy. Mr. MacLean also discussed portfolio risk and economic sensitivity.

D. 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 2019 Legislative Session. Mr. Russo also summarized the Balance Scorecard, escalated BSC measures, and the Indiana Transparency Portal.

V. Preliminary Agenda for May 3, 2019 Board Meeting

A copy of the preliminary agenda for the May 3, 2019, meeting was included in materials provided electronically to Board members.

VI. Other business as requested by the Board

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

VII. Board Education

A. Indiana Open Door Laws

Tony Green discussed INPRS Board public meeting law and rules. Mr. Green talked about the statutory requirements, notice of INPRS Board meeting, agenda for INPRS Board meetings, INPRS Board minutes, executive sessions, and serial meetings. Mr. Green also summarized what is considered a meeting and an official action.

VIII. Adjournment

MOTION duly made and carried to adjourn the February 22, 2019 Board meeting at 1:09 p.m.

Proposed by: Tera Klutz
Seconded by: Kelly Mitchell
Votes: 8 in favor, 0 opposed, 0 abstentions