

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

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

**February 26, 2016**

**Board Members Present**

Sarah Beth Murphy (via conference call)	Brian Abbott
Michael Pinkham (via conference call)	Jillean Battle
Kyle Rosebrough	Deanna Oware
Mike Cunningham	Bret Swanson, Chairman

**Guest Presenters**

Brandon Robertson, PricewaterhouseCoopers (via conference call)	DeWitt Miller, Verus Ian Toner, Verus (via conference call)
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**Staff Presenters**

Steve Russo, Executive Director	Donna Brown, Chief Financial Officer
Scott Davis, Interim Chief Investment Officer	Steven Barley, Chief Operations Officer

**Meeting called to order at 10:01 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 11, 2015, Board of Trustees Meeting**

**MOTION** duly made and carried to approve the corrected minutes from the December 11, 2015, Board meeting.

<i>Proposed by:</i>	<i>Jillean Battle</i>
<i>Seconded by:</i>	<i>Brian Abbott</i>
<i>Votes:</i>	<i>8 in favor, 0 opposed, 0 abstentions</i>

## **II. Required Business**

No required business was discussed by the Board.

## **III. Unfinished Business**

No unfinished business was discussed by the Board.

## **IV. New Business**

### **A. FY16 Actuarial Assumptions & Methods**

Donna Brown discussed changing the amortization period, how the amortization period should be determined, guidance from experts, options, and the impacts of a change. Ms. Brown summarized the recommended changes. Ms. Brown also discussed changing the asset smoothing period, options, guidance from experts, recommended changes and the financial impacts.

### **B. ASA Annuities**

Steve Russo talked about the ASA Annuity Timeline and provided a review of the current ASA structure. Mr. Russo also gave an overview of alternatives.

Scott Davis discussed In-House Management of the ASA Annuity versus outsourcing to MetLife. Mr. Davis talked about the member benefits, employer/fund risk, and member risk.

### **C. Operations Update**

Steve Barley presented an overview of the Operations department. Mr. Barley summarized the department's performance, the amount of retirements received by fund, and retirement satisfaction. Mr. Barley gave an overview on the Call Center, which included call center volume, service level, and call center satisfaction. Mr. Barley also talked about activities planned within the department in the next 45 days.

### **D. Financial Update**

Donna Brown presented the INPRS financial update to the Board. Ms. Brown began with a summary of the financial highlights as of end of January 2016. Ms. Brown reviewed the January financials, then talked about past due employer contributions. Ms. Brown discussed fiscal year 2016 actual and forecast change in net position and expenses compared to budget.

E. Investments Update

Scott Davis presented the INPRS investment update to the Board. He started with a review of team imperatives, provided highlights of INPRS investments, and a portfolio review. Mr. Davis talked about INPRS asset allocation as of January 31<sup>st</sup>, defined benefit performance, and ASA funds' performance. Mr. Davis also discussed the current managers on the watch list.

F. Executive Director Report

Steve Russo presented the Executive Director's report. He updated the Board about 15 bills in the General Assembly. Mr. Russo focused on the 7 bills still alive in the second house. Mr. Russo also summarized the Balance Scorecard.

V. **Preliminary Agenda for April 29, 2016 Board Meeting**

A copy of the preliminary agenda for the April 29, 2016, meeting was included in materials provided electronically to Board members.

VI. **Other Business as requested by the Board**

No other business was requested by the Board.

VII. **Adjournment**

**MOTION** duly made and carried to adjourn the February 26, 2016, Board meeting at 12:31 p.m.

*Proposed by: Brian Abbott*  
*Seconded by: Deanna Oware*  
*Votes: 7 in favor, 0 opposed, 0 abstentions*