

**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]**

June 24, 2022

Board Members Present

Brian Abbott
Tera Klutz
Ryan Locke
Justin McAdam

Michael Pinkham
Vivienne Ross

Guest Presenters

Jeffrey McClean, Verus Investments
Michael Reid, CEM Benchmarking

Staff Presenters

Steve Russo, 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 & Risk Officer

Meeting called to order at 10:05 a.m. by Chairman Abbott.

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 April 29, 2022, Board of Trustees Meeting

MOTION duly made and carried to approve the Board of Trustees Meeting minutes from the April 29, 2022, Board meeting.

*Proposed by: Brian Abbott
Seconded by: Justin McAdam
Votes: 6 in favor, 0 opposed, 0 abstentions*

II. Unfinished Business

A. Funding Policy Update

Andy Blough presented information on the Funding Policy Update. Changes currently recommended by the Actuarial and Investment Working group included lowering the threshold when employer contribution rates begin to decrease from

105% funded to 95% funded and decreasing towards the actuarially determined contribution (ADC) instead of the normal cost rate. Once a fund reaches 110% funded, the employer contribution rate will be set to the ADC.

MOTION duly made and carried to approve the Funding Policy Update.

Proposed by: Tera Klutz
Seconded by: Ryan Locke
Votes: 6 in favor, 0 opposed, 0 abstentions

B. CY23 '77 Fund Contribution Rate

Andy Blough presented information on the calendar year 2023 (CY23) 1977 Fund Contribution Rate and recommended setting the CY23 employer contribution rate for the '77 Fund to 18.00%.

MOTION duly made and carried to approve the CY23 '77 Fund Contribution Rate.

Proposed by: Michael Pinkham
Seconded by: Justin McAdam
Votes: 6 in favor, 0 opposed, 0 abstentions

C. Investment Policy Statement – Governance Risk

Steve Russo presented information on the Investment Policy Statement — Governance Risk and proposed delaying discussion regarding the ESG until the next board meeting in September 2022.

III. Required Business

A. FY23 Internal Audit Plan Approval

Keith Hall discussed FY23 audit planning steps, risk assessment, the heat map, and proposed audit plan.

MOTION duly made to approve the audit plan as presented.

Proposed by: Brian Abbott
Seconded by: Michael Pinkham
Votes: 6 in favor, 0 opposed, 0 abstentions

B. FY23 Expense Budget & Strategic Plan

Steve Russo, Robert Corne, and Cheryl Harding discussed the FY23 Expense Budget & Strategic Plan. Russo provided information about the strategy map which outlined specific goals, the balance score card (BSC), the investment & administrative budget and headcounts, the administrative expenses schedule, and the budget walk. Harding stated that staff heard the

board regarding the volume of tasks and scaled back to focus on assessments.

MOTION duly made to approve the Expense Budget & Strategic Plan as presented.

Proposed by: Brian Abbott
Seconded by: Justin McAdam
Votes: 6 in favor, 0 opposed, 0 abstentions

IV. New Business

A. CEM DB Administration Benchmarking Review

Michael Reid discussed INPRS' administration costs and total service score. INPRS was second lowest in cost compared to peers and achieved a total service score of 94, which was the highest of all participants.

B. Investments Update

Scott Davis, Chief Investment Officer, presented the INPRS investments update. Mr. Davis and Jeff MacLean of Verus Investments discussed various key performance drivers for FY2022, including rising inflation and rising interest rates. Mr. Davis summarized the investment returns for both the Defined Benefit and Defined Contribution investments.

C. Financial Update

Robert Corne presented the INPRS Financial Update to the Board. He also discussed the administrative and investment expenses in detail.

D. Executive Director Report

Steve Russo presented his Executive Director Report. He noted four Line-of-Duty deaths throughout the State since the last board meeting as well as clarifying a spelling error. Additionally, he gave a summary of the balanced scorecard.

V. Preliminary Agenda for June 24th , 2022, Board Meeting

A copy of the preliminary agenda for the September 2022, 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. Adjournment

MOTION duly made and carried to adjourn the June 24, 2022 Board meeting adjourned at 1:10 p.m.

Proposed by: Tera Klutz
Seconded by: Justin McAdam
Votes: 6 in favor, 0 opposed, 0 abstentions