

**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**

**September 13, 2019**

**Board Members Present**

Michael Pinkham  
Brian Abbott  
Connie Plankenhorn  
Bret Swanson

Kelly Mitchell  
David Frick  
Tera Klutz  
Justin McAdam

**Guest Presenters**

Jeff MacLean, Verus  
Bob Prince, Bridgewater  
Brent Banister, Cavanaugh Macdonald

**Staff Presenters**

Steve Russo, Executive Director  
Teresa Snedigar, Chief Audit and Risk  
Officer  
Donna Grotz, Chief Finance and  
Administration Officer

Tony Green, Chief Legal & Compliance  
Officer  
Scott Davis, Chief Investment Officer  
Andy Blough, Chief Actuary

**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.

**I. Approval of Minutes from June 28, 2019 Board of Trustees Meeting**

**MOTION** duly made and carried to approve the Board of Trustees Meeting minutes from the June 28, 2019, Board meeting.

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

## II. Unfinished Business

There was no unfinished business discussed by the Board.

## III. Required Business

### A. Proposed Board Governance Manual Updates

Tony Green presented revisions made to the Board Governance Manual. Mr. Green noted updates to the INPRS mission and principle statements. Mr. Green also talked about updating descriptions for plans administered by INPRS, clarification of oaths and terms for Board members, adding and describing the Retiree Medical Benefits Account Plan (RMBA), adding and clarifying special procurement language for allowing contracts to extend beyond ten (10) years, removing from Board Retained duties approving the guaranteed fund rate and adding approval of administrative fees charged to DC accounts, and other technical corrections based on language in the Indiana Code. Mr. Green asked the Board to review and provide any feedback to him before the next board meeting. Mr. Green said that the Board would be voting on the recommended changes at the next Board meeting in October.

## IV. New Business

### A. Asset Liability Study

Scott Davis and Jeff MacLean from Verus presented the results of the Enterprise Risk Tolerance Survey. Mr. MacLean discussed the survey structure and summarized the results. Mr. MacLean also reviewed the financial health of the Plan Sponsor and Enterprise Risk Tolerance. Mr. MacLean talked about the Board's objectives, risk tolerance, and governance.

Bob Prince from Bridgewater presented building blocks for asset allocation. Mr. Prince discussed fundamental determinants of asset pricing and returns, building an efficient portfolio, and engineering portfolio returns to achieve investment objectives.

### B. Actuarial Risk Analysis Report Summary

Andy Blough and Brent Banister from Cavanaugh Macdonald presented an analysis of actuarial risks. Mr. Banister discussed the risks INPRS faces, implications of major risks, and risk mitigation features in INPRS. Mr. Banister talked about risks unique to each fund and summarized the risk analysis report as of August 2019.

### C. FY19 – A Look Back

Steve Russo presented the 2019 fiscal year in review. Mr. Russo stated that the INPRS managed pension plans remain well funded with no expected increase in 2021 employer contribution rates. Mr. Russo reviewed the estimated aggregate funded status of the pre-funded defined benefit plans, the Teacher pre-1996 pay-go plan status, and the progress toward exemplary customer and operational services. Mr. Russo also discussed FY19 year-end performance and year over year trend. Mr. Russo also reviewed the FY19 strategic plan accomplishments.

### D. Enterprise Risk Management Update

Teresa Snedigar reviewed the INPRS Enterprise Risk Management (ERM) roles. Ms. Snedigar summarized the maturity assessment, current ERM activities, top risks to the strategic plan, risk assessment results, and ERM process improvements.

### E. Investments Update

Scott Davis presented the INPRS investment update to the Board. Mr. Davis provided highlights and reviewed the INPRS investment portfolio as of June 30, 2019. Mr. Davis talked about the asset allocation, defined benefit funds' performance, and defined contribution funds' performance.

### F. Financial Update

Donna Grotz presented the INPRS financial update. Ms. Grotz summarized the financial results, net position, the supplemental reserve accounts, and the administrative and investment expenses as of the end of fiscal year 2019 (through June, 2019).

### G. Executive Director Report

Steve Russo presented the Executive Director's report. Mr. Russo also provided highlights of the Balance Scorecard and escalated BSC measures.

## V. **Preliminary Agenda for October 25, 2019 Board Meeting**

A copy of the preliminary agenda for the October 25, 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. Executive Session**

A brief Executive Session was held at pursuant to IC 5-14-1.5-6.1(b)(9).

As posted, the Board discussed personnel matters as authorized pursuant to IC 5-14-1.5-6.1(b)(9).

As required by IC 5-14-1.5-6.1(d), the Board hereby certifies that only subject matter related to IC 5-14-1.5-6.1(b)(9) was discussed.

**VIII. Adjournment**

**MOTION** duly made and carried to adjourn the September 13, 2019 Board meeting at 2:19 p.m.

*Proposed by: David Frick*  
*Seconded by: Brian Abbott*  
*Votes: 8 in favor, 0 opposed, 0 abstentions*