

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]

April 29, 2022

Board Members Present

Michael Pinkham (virtual)
Brian Abbott (virtual)
David Frick
Bret Swanson

Tera Klutz
Justin McAdam
Vivienne Ross

Guest Presenters

Jeffrey MacLean, Verus
Benjamin Taylor, Callan

Ed Koebel, Cavanaugh Macdonald

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

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 February 18, 2022, 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: Justin McAdam
Seconded by: David Frick
Votes: 6 in favor, 0 opposed, 0 abstentions (Brian Abbott was absent)

II. Unfinished Business

A. FY23 Actuarial Assumptions & Methods

Andy Blough presented information on the FY 23 Actuarial Assumptions and Methods. No changes currently recommended.

MOTION duly made and carried to approve the Actuarial Valuation Assumptions and Methods for FY 2023.

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

III. Required Business

A. FY23 Member Crediting Rate Approval

Discussion let by Steve Russo regarding the annual interest rate to be used in crediting members accounts for the '77 Fund, JRS, EG&C, and PARF, when non-vested members withdraw pension contributions.

MOTION duly made to maintain the current methodology and set the FY23 interest credit rate for the '77 fund, JRS, EG&C, and PARF at 1.98%.

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

IV. New Business

A. Annual Defined Contribution Annuity Review

Steve Russo related information supplied by Callan LLC that summarized the quarterly review of INPRS' Defined Contribution Annuity program, administered by MetLife. The review analyzed MetLife's financial reporting, operations, web capabilities, pricing, call center services, market trends and new initiatives as well as data governance and financial solvency. Benjamin Taylor electronically joined the meeting at a later time and provided additional information.

B. Funding Policy Review

Andy Blough presented information regarding INPRS' funding policy which is used to determine the Actuarially Determined Contribution rate and for setting employer contribution rates. There was discussion about various funding methodologies which could be used to avoid overfunding pension funds after they reach their targeted funded status and to address other board member concerns.

C. Investment Policy Statement – ESG Policy

Scott Davis presented a potential amendment to INPRS' Investment Policy Statement. The new policy statement would reflect the Board's view of their fiduciary responsibilities as it relates to various public policy considerations when making financial and investment decisions.

D. Investments Update

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

E. Finance Update

Robert Corne presented the INPRS Financial update to the Board. Mr. Corne provided highlights of INPRS' beginning and ending net positions for all funds year to date. He also reviewed the net positions of the Supplemental Reserve Accounts for each of the funds. There was some detail provided about INPRS administrative and investment expenses for FY2022.

F. Preliminary FY23 Budget & Strategic Plan

Steve Russo and Cheryl Harding presented the Preliminary FY23 Budget and the Strategic Plan. Ms. Harding laid out the strategic planning process and noted the consolidation of strategic goals and objectives. Mr. Russo discussed future budgeting for FY2023 and discussed headcount needs going forward.

G. 2022 Legislative Session Summary

Steve Russo discussed the legislation passed during the recently ended term of the General Assembly which affects INPRS.

H. Executive Director Report

Steve Russo presented his Executive Director Report. He noted three Line-of-Duty deaths throughout the State since the last board meeting. He also noted compliance results for INPRS' Overall Compliance Program for the first quarter of 2022. 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 June 24, 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

The Chair declared the meeting adjourned at the close of all business.