

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

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

May 5, 2017

Board Members Present

Michael Pinkham
Ken Cochran
Bret Swanson
Brian Abbott

Tera Klutz
Micah Vincent
Kelly Mitchell

Guest Presenters

Jeff MacLean, Verus

Staff Presenters

Steve Russo, Executive Director
Donna Grotz, Chief Finance &
Administration Officer
Scott Davis, Chief Investment Officer
Steven Barley, Chief Operations Officer

Tony Green, Chief Legal and
Compliance Officer
Tom Farrer, Director of Strategic
Initiatives
Andy Blough, Actuary

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

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

I. Approval of Minutes from March 3, 2017, Board of Trustees Meeting

MOTION duly made and carried to approve the Board of Trustees Meeting minutes from the March 3, 2017, Board meeting.

*Proposed by: Kelly Mitchell
Seconded by: Bret Swanson
Votes: 7 in favor, 0 opposed, 0 abstentions*

II. Unfinished Business

A. FY17 Actuarial Assumptions & Methods

Steve Russo discussed the objective of an actuarial audit, the method used, and findings for each fund. Mr. Russo also talked about FY 2017 actuarial valuations assumptions and methods. Mr. Russo provided a summary of the March 3, 2017 Board Meeting and proposed changes to actuarial assumptions and methods. Mr. Russo recommended no changes to the existing actuarial assumptions and methods for FY2017 actuarial valuations. Mr. Russo also recommended adding a disability mortality table for all plans, and for the Board to approve the actuarial assumptions and methods to be used for the June 30, 2017 actuarial valuations.

MOTION duly made and carried to adopt the recommended actuarial assumption changes noted.

Proposed by: Bret Swanson
Seconded by: Michael Pinkham
Votes: 7 in favor, 0 opposed, 0 abstentions

III. Required Business

A. FY 18 Member Crediting Rate Approvals

Steve Russo presented the FY2018 member crediting rates. Mr. Russo summarized a background and interest crediting rate for 1977 Police & Fire, PARF, Judges, and CG&E funds. Mr. Russo also talked about staff recommendations for the FY18 interest credit rate for each of the discussed funds.

MOTION duly made and carried to set the FY18 interest credit rate for each of the 1977 Police & Fire, PARF, Judges, and CG&E funds at 2.40%.

Proposed by: Mike Pinkham
Seconded by: Bret Swanson
Votes: 7 in favor, 0 opposed, 0 abstentions

IV. New Business

A. Operations Update

Steve 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, complaints summary, and call center satisfaction.

B. Financial Update

Donna Grotz presented the INPRS financial update to the Board. Ms. Grotz began with a summary of the financial highlights as of end of March 2017. Ms. Grotz then talked about March 2017 fiscal year actual and forecast change in net position. Ms. Grotz also covered the Contributions Scorecard and the Administrative and Investment Expense Analysis.

C. Investments Update

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

Jeff MacLean from Verus discussed main drivers in the market, global activity, and volatility.

D. Preliminary FY18 Budget & Strategic Plan

Steve Russo presented the preliminary fiscal year 2018-2020 strategic plan and fiscal year 2018 budget. Mr. Russo discussed the planning process, reviewed the vision, mission, and principles and then informed the Board of a proposed change to the mission. Mr. Russo recommended no changes for the FY2018-2020 strategic goals. Mr. Russo also talked about strategic objectives, budget drivers, strategic planning and budgeting, and top five FY2018 priorities.

E. 2017 Legislative Session Summary

Tony green presented a summary of the 2017 Legislative session. Mr. Green summarized the bills presented, the ones that died, and the bills signed or awaiting signature. Mr. Green discussed several house enrolled acts and senate enrolled acts as well as the balanced budget amendment.

F. Executive Director Report

Steve Russo presented the Executive Director's report. Mr. Russo discussed the Actuarial Services RFP. Mr. Russo started with a history, then spoke about the current state. Mr. Russo provided options and RFP expected timeline. Next, Mr. Russo provided an ASA Recordkeeper update. Mr. Russo also summarized the Balance Scorecard.

V. Other Business as requested by the Board

No other business was requested by the Board.

VI. Preliminary Agenda for June 23, 2017 Board Meeting

A copy of the preliminary agenda for the June 23, 2017, meeting was included in materials provided electronically to Board members.

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 May 5, 2017, Board meeting at 2:07 p.m.

Proposed by: Brian Abbott
Seconded by: Kelly Mitchell
Votes: 7 in favor, 0 opposed, 0 abstentions