

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

**Meeting held via Virtual Webcast
[Pursuant to Executive Order 20-09 and extensions]**

June 26, 2020

Board Members Present

Michael Pinkham
Brian Abbott
Connie Plankenhorn

Kelly Mitchell
David Frick
Bret Swanson

Guest Presenters

none

Staff Presenters

Steve Russo, Executive Director
Teresa Snedigar, Chief Audit and Risk
Officer
Andy Blough, Chief Actuary

Tony Green, Chief Legal & Compliance
Officer
Alex Far, Director of Investment
Operations

Meeting called to order at 10:02 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 February 21, 2020 Board of Trustees Meeting

MOTION duly made and carried to approve the Board of Trustees Meeting minutes from the February 21, 2020, Board meeting.

*Proposed by: Brian Abbott
Seconded by: Kelly Mitchell
Votes: 6 in favor, 0 opposed, 0 abstentions*

II. Unfinished Business

There was no unfinished business discussed by the Board.

III. Required Business

A. Indiana Administrative Code (IAC) Proposals

Tony Green presented proposed updates to the IAC. A copy was provided to the Board electronically for their review. The presented rule changes were required because of federal and state law changes. Recommended revisions were discussed. No public comments were received.

MOTION duly made and carried to approve all of the changes to the IAC presented in Board Resolution No. 2020-06-26.

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

B. FY21 Member Crediting Rate Approvals

Steve Russo presented the FY21 Member Crediting Rates for the PARF, Judges, 1977 Police and Fire and CG&E funds. Mr. Russo started with a background of the crediting rate and the rate-setting methodology. Mr. Russo presented the FY21 crediting rate recommendation based upon the established rate-setting methodology. Mr. Russo recommended the Board maintain the methodology and the interest credit rate for each of the 1977 Fund, JRS, EG&C, and PARF plans be set at 1.11%.

FY2020 Interest Credit Rate	
Approved Interest Credit Rate	2.59%

FY2021 Interest Credit Rate Calculation	
1/31/20 10-yr Treasury Yield	1.51%
2/28/20 10-yr Treasury Yield	1.13%
3/31/20 10-yr Treasury Yield	0.70%
Average Yield	1.11%

Source: U.S. Department of Treasury

MOTION duly made and carried to adopt the recommended methodology and interest crediting rate for each of the 1977 Fund, JRS, EG&C, and PARF plans be set at 1.11%.

Proposed by: Brian Abbott
Seconded by: Connie Plankenhorn
Votes: 6 in favor, 0 opposed, 0 abstentions

C. FY21-FY23 Strategic Plan Approval

Steve Russo discussed the Preliminary FY 2021-2023 Strategic Plan. Mr. Russo talked about the changes and top priorities for FY21.

MOTION duly made and carried to approve recommendation of FY21 – FY23 Strategic Plan.

Proposed by: Brian Abbott
Seconded by: Kelly Mitchell
Votes: 6 in favor, 0 opposed, 0 abstentions

D. FY21 Budget Approval

Steve Russo discussed the 2021 fiscal year budget. Mr. Russo summarized the key changes to the administrative budget and investment expense budget.

MOTION duly made and carried to approve recommendation of FY21 budget as presented.

Proposed by: David Frick
Seconded by: Brian Abbott
Votes: 6 in favor, 0 opposed, 0 abstentions

E. FY21 Internal Audit Plan Approval

Teresa Snedigar presented FY20 audit results. Sixteen audits were completed out of twenty-two planned and four are in progress. Ms. Snedigar also presented the FY21 audit plan.

MOTION duly made and carried to approve the audit plan as presented.

Proposed by: David Frick
Seconded by: Mike Pinkham
Votes: 6 in favor, 0 opposed, 0 abstentions

F. DC Consultant Approval

Alex Far presented an update on the request for proposal (RFP) for Defined Contribution Consulting services. Mr. Far summarized the RFP process and timeline, compared the two finalists, and made a recommendation to the Board to hire Capital Cities as the DC Consultant.

MOTION duly made and carried to approve Capital Cities as the Defined Contribution Consultant for INPRS.

Proposed by: Brian Abbott
Seconded by: Connie Plankenhorn
Votes: 6 in favor, 0 opposed, 0 abstentions

G. June 30, 2020 Actuarial Assumptions & Methods

Andy Blough talked about FY 2021 actuarial valuation assumptions and methods. Mr. Blough provided a summary of the February 21, 2020 Board Meeting and actuarial valuation assumptions and methods that had been presented by Cavanaugh Macdonald in their experience study report. Mr. Blough recommended adopting the assumptions and methods shown in the experience study report for the FY2021 actuarial valuations.

MOTION duly made and carried to adopt the recommended actuarial assumptions and methods.

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

IV. New Business

A. CEM DB Administration Benchmarking Review

A copy of the CEM DB Administration Benchmarking Review was provided to the Board prior to the meeting. Steve Russo provided a brief overview.

B. Annual Defined Contribution Annuity Review

A copy of the Annual Defined Contribution Annuity Review was provided to the Board prior to the meeting. Steve Russo provided a brief overview.

C. Investments Update

A copy of the Investment Update was provided to the Board prior to the meeting. Steve Russo provided a brief overview.

D. Financial Update

A copy of the Financial Update was provided to the Board prior to the meeting. Steve Russo provided a brief overview.

E. 2020 Legislative Session Summary

A copy of the 2020 Legislative Session Summary was provided to the Board prior to the meeting. Steve Russo provided a brief overview.

F. Executive Director Report

A copy of the Executive Director Report was provided to the Board prior to the meeting. Steve Russo provided a brief overview.

V. Preliminary Agenda for September 11, 2020 Board Meeting

A copy of the preliminary agenda for the September 11, 2020, 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 26, 2020 Board meeting at 11:54 a.m.

Proposed by: David Frick
Seconded by: Mike Pinkham
Votes: 6 in favor, 0 opposed, 0 abstentions