



Public Employee Retirement System of Idaho

PUBLIC EMPLOYEE RETIREMENT SYSTEM OF IDAHO
607 North 8th Street
BOISE, IDAHO 83702

MINUTES
OF
MEETING OF RETIREMENT BOARD

The Board of the Public Employee Retirement System of Idaho met at the PERSI Administration Building, 607 North Eighth Street in Boise, Idaho at 8:30 a.m., July 26, 2011. The following members were present:

Jody Olson

Bill Deal

Joy Fisher

Kirk Sullivan

Jeff Cilek was absent and excused.

Executive Director Don Drum, Chief Investment Officer Bob Maynard, Investment Officer Richelle Sugiyama, Deputy Director Ray Polzin, Financial Officer James Monroe, Deputy Attorney General Joanna Guilfoy and Management Assistant Cheri Campbell were also in attendance. Betsy Griffith handled the electronic projection of materials and documents discussed in the meeting. Other persons attending portions of the meeting were:

Rod MacKinnon	MPIA	Lisa Conn	PERSI
Charlie Brown	REAI	Cecile McMonigle	PERSI
Bruce Reeder	MPIA	Patrice Perow	PERSI
Mark Olleman	Milliman	Rose Marie Sawicki	PERSI
James Coleman	REAI	Kimberlee Hall	PERSI
David McManaman	Berkadia Comm Mort	Daryl King	PERSI
Jay Kealey	MPIA	Larry Sweat	PERSI
Dennis Fitzpatrick	DBF	Debbie Buck	PERSI
Brandon Fitzpatrick	DBF	Wayne Ellis	PERSI
Drew Black	DBF		
Trevor Seel	DBF		
Humberto Arechiga	DBF		
Brian McGrath	DBF		
Robin Nettinga	IEA		
Tom Kealey	EFIB		
Brent Nye	Boise School Dist		
Andrew Potter	EFIB		
Eoin Gill	BNY Mellon		
Vince Labson	BNY Mellon		

MINUTES

Approval of the Minutes: Trustee Deal made a motion to approve the minutes of the April 26, 2011 meeting as written. Trustee Fisher seconded the motion, which passed unanimously.

PORTFOLIO

Monthly Investment Report: In lieu of the normal monthly investment report, Chief Investment Officer Bob Maynard asked Clearwater Advisors to talk about what is being called the “debt ceiling crisis” and what that really means.

Idaho Commercial Mortgage Program Annual Review: David McManaman with Berkadia Commercial Mortgage LLC presented the results of the annual review. As was the case in previous years, the program received a clean bill of health, and no major revisions or additions to the program were recommended.

Idaho Commercial Mortgage Program Update: Staff from DB Fitzpatrick presented the annual update on the performance of the program.

Investment Manager Comments: The Investment Managers who were present shared their opinions and predictions for the current market situation.

AWARD PRESENTATION: Chairman Olson presented Betsy Griffith a plaque in honor of her retirement on August 1, 2011. The Board members thanked Ms. Griffith for 10 years of dedicated work for PERSI and wished her the best in retirement.

DIRECTOR UPDATES

Request for Reconsideration of Final Order: On May 10, 2011, Ms. Lessor filed a timely petition to Reconsider Final Decision and Order. Ms. Lessor’s attorney addressed the Board with the circumstances of her appeal. Trustee Deal made a motion to deny the petition for reconsideration. The motion was seconded by Trustee Sullivan and passed unanimously.

Executive Director Status: Director Drum reviewed his status report dated July 20, 2011 which had been previously provided to the Board. The NIRS report “Lessons Learned from Well Funded Public Pensions”, which included Idaho, was released on Late June. NIRS Director Diane Oakley testified at the US Senate HELP committee hearing on “The Power of Pension: Building a Strong Middle Class and Strong Economy”. GASB has released its exposure draft of proposed changes in pension accounting and financial reporting.

Mr. Drum updated the Trustees on his visits with Legislators and employers.

New Employers: Trustee Fisher made a motion to accept the Kuna Rural Fire District as a PERSI employer effective August 1, 2011. Trustee Deal seconded the motion which passed unanimously.

Deputy Director Status Report: Deputy Director Ray Polzin gave an updated on the IRIS project and presented the new PERSI website to the Board. Mr. Polzin also reviewed the quarterly and the fiscal year end operating statistics.

FISCAL

Fiscal Update: Chief Financial Officer Jim Monroe reviewed his Fiscal Update memo dated July 19, 2011. He reviewed and commented on the FY 2011 year end expense reports for Administration and Portfolio and the quarterly out of state travel report. He also reviewed the year end appropriations status and the proposed FY 2013 budget request.

Adjournment: There being no further business to come before the Board, meeting adjourned at 11:00 a.m.

Donald D. Drum
Executive Director

Jody B. Olson
Chairman