



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., August 28, 2012. The following members were present:

- Jody Olson
- Bill Deal
- Jeff Cilek
- Joy Fisher

Trustee Kirk Sullivan was absent and excused. Executive Director Don Drum, Chief Investment Officer Bob Maynard, Investment Officer Richelle Sugiyama, Financial Officer James Monroe, Deputy Attorney General Joanna Guilfoy and Management Assistant Cheri Campbell were also in attendance. Other persons attending portions of the meeting were:

Bruce Reeder	MPIA	Katherine Guthrie	Xerox
Mark Olleman	Milliman	Erin Duran	PERSI
Jeff Bradley	Milliman	Debbie Buck	PERSI
Humberto Arechige	DBF	Wayne Ellis	PERSI
Dennis Fitzpatrick	DBF	Carmen Brooks	PERSI
Karl Mallott	Fire Chiefs	Cecile McMonigle	PERSI
Brandon Fitzpatrick	DBF	Mike Mitchell	PERSI
Charlie Brown	REAL	Rose Marie Sawicki	PERSI
Donna Yule	IPEA	Daryl King	PERSI
Drew Black	DBF	Diane Kaiser	PERSI
Rod Mackinnon	MPIA	Patrice Perow	PERSI
Larry Johnson	EFIB		
Robin Nettinga	IEA		
Chris Halverson	EFIB		
Tom Kelley	EFIB		
Lee Miller	Eide Baiily		
Keith Reynolds	DFM		

MINUTES

Approval of the Minutes: Trustee Cilek made a motion to approve the minutes of the July 24, 2012 meeting as written. Trustee Fisher seconded the motion, which passed unanimously.

PORTFOLIO

Callan Quarterly Update: Michael O'Leary with Callan Associates, Inc. presented the 2nd quarter 2012 update. Total Fund's portfolio posted a (1.39)% return for the quarter placing it in the 25 percentile of the CAI Public Fund Sponsor Database group for the quarter and in the 42 percentile for the last year. Total Fund's portfolio outperformed the Total Fund Target by 0.79% for the quarter and underperformed the Total Fund Target for the year by 1.23%.

Monthly Investment Report: Chief Investment Officer Bob Maynard gave a brief update on the status of the Fund. As of August 27th, the Fund was up 2.2% for the fiscal year to date.

Mr. Maynard gave an abbreviated presentation on conventional investing versus endowment model investing. He will be presenting this information to various professional groups over the next few months.

Extension of Staff Advisor Contracts: Richelle Sugiyama, Investment Officer, ask the Board to authorized the extension of the staff advisor contracts through December 2012 and authorize the Executive Director to sign the extensions on behalf of the Board. Renewals of the contracts will be brought to the Board in December. Trustee Deal made a motion to accept the staff recommendation. The motion was seconded by Trustee Cilek and approved unanimously.

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

DIRECTOR UPDATES

Executive Director's Update: Director Drum gave the Board an update regarding the Deputy Director search. Trustee Cilek volunteered to assist in the interview and hiring process. Mr. Drum also reviewed the new GASB rules and how they will impact PERSI and PERSI employers.

Full Reporting by Employers: To facilitate the IRIS implementation, a resolution was presented stating the Board has determined that full reporting is necessary. Trustee Deal made a motion to adopt the resolution. Trustee Fisher seconded the motion which was approved unanimously.

Consideration of Recommended Order - Spooner: Mr. Spooner is appealing the decision related to the denial of his disability application. The Recommended Order from the hearing officer recommending denial of the appeal was provided to the Trustees. Trustee Deal made a motion to adopt the Recommended Order and issue a Final Decision and Order denying Mr. Spooner's appeal. The motion was seconded by Trustee Cilek and passed unanimously.

FISCAL

Fiscal Update: Chief Financial Officer Jim Monroe reviewed his Fiscal Update memo dated August 21, 2012. He reviewed and commented on the July expense reports for administration and portfolio. He also updated the Board on the FY2012 audit activities.

FY14 Budget Request: Mr. Monroe presented the proposed budget request for FY14. Trustee Fisher made a motion to approve the request for submission to DMF and LFO. Trustee Deal seconded the motion which passed unanimously.

FY12 Financial Statements: Financial Operations Manager Debbie Buck presented the fiscal year end unaudited financial statements.

GFOA Award: For the 21st year in a row PERSI received the GFOA award for Excellence in Financial Reporting. Chairman Olson thanked the staff who work on the CAFR for their diligence and hard work.

EXECUTIVE SESSION

Trustee Deal made a motion to go into executive session citing Idaho Code 67-2345(1)(b). The motion was seconded by Trustee Cilek and approved unanimously via roll call vote.

The Board reconvened into general session at 11:55. During the executive session the annual review process for the Chief Investment Officer was discussed. No action was taken and further discussion will be held at the October meeting.

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