



PUBLIC EMPLOYEE RETIREMENT SYSTEM OF IDAHO

BOISE, IDAHO 83702
1024 W Bannock Street
RETIREMENT BOARD
RETREAT MINUTES
September 18, 2017

The Board of the Public Employee Retirement System of Idaho met at the PERSI Administration Building, 607 North 8th Street in Boise, Idaho. The following trustees were present:

Celia Gould
Jeff Cilek
Kirk Sullivan
Joy Fisher
Park Price

Executive Director Don Drum, Chief Investment Officer Bob Maynard, Deputy Director Michael Hampton, Investment Officer Richelle Sugiyama, Elizabeth Conner, Management Assistant, and Deputy Attorney General Cheryl George were also in attendance. Guest speakers included: Brian Kane, Attorney General's Office, Lisa Conn, PERSI Quality Assurance Manager, Alex Simpson, PERSI Financial Executive Officer and Larry Sweat, and PERSI IT Information Services Officer.

Open Meeting Laws, Ethics and Fiduciary Responsibility Review

Chairman Cilek called the meeting to order at 1:00 PM and introduced Deputy Attorney General Brian Kane. Mr. Kane reviewed the requirements for fiduciary responsibility for all boards. Mr. Kane also provided a handout to the group.

COLA's and Contribution Rate Review

Executive Director Don Drum spoke next to the group about Cost of Living Adjustment (COLA) and Contribution Rates. He explained the historical rationale for PERSI's method to these two items and discussed with the Board when these items come up in the calendar for their discussion.

Rule of 80 Review

Lisa Conn explained how PERSI's Rule of 80 works and that it is specifically aimed for firefighters and police. PERSI works with employers if they have questions how to classify employees but the employers must ultimately be responsible for classifying their employees correctly.

Executive Director Drum explained some history of how the Rule of 80 had been applied and how language to Idaho Code § 59-1303 (3c) to assist with clarification.

Defined Contribution Rates

Alex Simpson explained contribution rates, the fees associated with record keeping and operational fees that required for business. He reviewed historical information and the Board discussed ideas to review in the future that could assist the large number of PERSI members who have small amounts invested.

Sick Leave

Deputy Director Mike Hampton explained the Sick Leave Fund and the current environment. There is a wide diversity as to how employers manage their sick leave. Currently there are four (4) Memorandums of Understanding (MOU) where the State of Idaho has agreed to allow for use of sick leave accumulation to be used for Medicare-Medicaid and they are looking to create MOU's in the future for long-term care, disability and dental care.


Cyber Security and IRIS

Larry Sweat presented information to the Board regarding the current PERSI practice for cyber security and the need for this. He explained the tools that PERSI uses to protect members' personal information. He informed the group that PERSI IT staff run updates for the latest security patches every week – which is not a common practice. PERSI takes pride in being very vigilant in protecting members. Mr. Sweat then reviewed IRIS and said that IRIS has been in use for one year now and that the contractor working with PERSI has been very responsive to requests and working with PERSI to design a good system. It is not easy to implement a whole new IT system, but overall IRIS is performing well and any issues that have come up have been addressed immediately.

The meeting adjourned at 7:30 PM.



Don Drum, Executive Director Date

 10/17/17

Jeff Cilek, Chairman Date