



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., March 19, 2019. The following members were present:

Jeff Cilek
Joy Fisher
Celia Gould
Park Price

Executive Director Don Drum, Deputy Director Michael Hampton, Investment Officer Richelle Sugiyama, Financial Executive Officer Alex Simpson, Deputy Attorney General Cheryl George, and Management Assistant Lena Rupp were also in attendance. Other persons attending all or portions of the meeting were:

Brandon Fitzpatrick	DB Fitzpatrick	Sidney Robinson	Empower
Angelina Chandler	DB Fitzpatrick	Ann Mahrtd	Empower
Robert Schmidt	Milliman	Amy McDuffee	Mosaic Governance Advisors
Jeff Bradley	Milliman	Saba Hashmi	Mosaic Governance Advisors
Ruth Ann DeFrang	Peregrine Capital	Larry Sweat	PERSI
John Borne	Prudential	Jenny Flint	PERSI
Chelsie Wasden	Mountain Pacific	Diane Kaiser	PERSI
Bruce Reeder	Mountain Pacific	Kelly Rowlands	PERSI
Nate Oakley	Mountain Pacific	Lisa Conn	PERSI
Matt Lindstrom	Mountain Pacific	Kelly Cross	PERSI
Brad Berls	Eide Bailly	Casey Hartwig	PERSI
Chris Brechbuhler	Clearwater	Jon Wald	PERSI
Dan Bates	Clearwater	Rose Marie Sawicki	PERSI
Andrea Patterson	Judicial	Adel Stacy	PERSI
James Coleman	Retired Educators	Cecile McMonigle	PERSI
Brent Nye	Retired Educators		

At 8:35 a.m., Chairman Cilek called the meeting to order. He welcomed everyone to the meeting.

Approval of the Minutes: Trustee Fisher made a motion to approve the minutes of the February 26, 2019 meeting. Trustee Price seconded the motion, which passed unanimously.

PORTFOLIO

Monthly Investment Report: Investment Officer, Richelle Sugiyama, gave the investment update; Ms. Sugiyama provided a brief overview of the market for January & February as well as reviewed the fund as of March 15, 2019 & March 18, 2019. The fund has gained +0.8%, for a +4.1% return for the fiscal year to date at \$17.917 million. The sick leave fund is up +3.3% for the fiscal year to date at \$539 million. For the fiscal year, Peregrine has the best return at +10.3% while BLS has the best relative performance against their benchmark with a +9.3% return being +7.4% above their global equity benchmark. The fund as a whole is ahead of the 55% US equity, 15% EAFE, and 30% US Bond reference benchmark by +0.8%, due primarily to outperformance of private equity and real estate compared to the Russell 3000, as well as emerging markets outperformance compared to developed markets (EAFE). Ms. Sugiyama also provided a review on how the investment reports are laid out and where to find specific information.

Investment Manager Comments: The Investment Managers who were present shared their opinions and predictions relative to the general market conditions.

EXECUTIVE DIRECTOR

Status Update: Executive Director Drum provided an update on upcoming legislative hearings and status of PERSI related legislation. H263 (PERSI appropriations) made it through the Joint Finance and Appropriations Committee with the accepted recommendations by the Governor. H69 has not had a hearing and is currently in the House commerce & human resources committee. H68 has been delivered to the Governor for signing. H41 has not had a hearing. There may not be enough time for H69 & H41 to make it through the legislative process before sine die. S1070 has passed the Senate and is currently in the House commerce & human resources committee. H136 was replaced by H177. H177 has passed the House and is on the third reading calendar in the Senate. PERSI plans to bring forward legislation next year to address return to work and possible adjustments to cover the costs associated with return to work for teachers.

DEPUTY DIRECTOR

Quarterly Update – Empower: Ann Mahrtdt with Empower Retirement introduced Sidney Robinson who is the new retirement plan counselor for the southern part of the state. Ms. Mahrtdt gave an update on the Choice 401(k) plan including assets, contributions, participation, distributions, loans, participant services, and field activity for the plan counselors. Ms. Mahrtdt also stated there are plans to make the required minimum distribution process more automated for 2019.

Contested Case before the Board – George Pauley: Deputy Director, Michael Hampton, presented the Board their options for this case including the following: schedule oral arguments by the parties before the Board prior to issuing final order, remand the matter for further evidentiary hearings or vocational assessment if further factual development is needed, or issue a final order accepting, rejecting or modifying the Recommended Order from the Hearing Officer.

Chairman Cilek stated that the Board has reviewed all of the facts of the case and no further discussion was requested.

Trustee Fisher made a motion that the Board accepts the Recommended Order from the Hearing Officer. Trustee Gould seconded the motion. The motion passed unanimously.

Contested Case before the Board – Kimberli Vande Berg: Deputy Director, Michael Hampton, presented the Board their options for this case including the following: schedule oral arguments by the parties before the Board prior to issuing final order, remand the matter for further evidentiary

hearings or vocational assessment if further factual development is needed, or issue a final order accepting, rejecting or modifying the Recommended Order from the Hearing Officer.

Chairman Cilek stated that the Board has reviewed all of the facts of the case and no further discussion was requested.

Trustee Gould made a motion that the Board accepts the Recommended Order from the Hearing Officer. Trustee Fisher seconded the motion. The motion passed unanimously.

Contested Case before the Board – David Gunter: Deputy Director, Michael Hampton, presented the Board their options for this case including the following: schedule oral arguments by the parties before the Board prior to issuing final order, remand the matter for further evidentiary hearings or vocational assessment if further factual development is needed, or issue a final order accepting, rejecting or modifying the Recommended Order from the Hearing Officer.

Trustee Gould made a motion that the Board remands the Petitioner's application for disability retirement to PERSI for further assessment, specifically that PERSI have a vocational assessment performed. Trustee Fisher seconded the motion. The motion passed unanimously.

Public Safety Permanent Disability Benefit Request: Deputy Director, Michael Hampton, presented an application for the one-time public safety permanent disability benefit in the amount of \$100,000 as provided in Idaho Code §59-1352A.

Anthony Eason applied for the PSOPDB, as required by Idaho Statute §59-1352A. MMRO determined that the public safety officer has been ruled permanently disabled, the disability did occur in the line of duty, the disability was not the result of intentional misconduct and/or self-inflicted, and that the officer was not voluntarily intoxicated at the time of the event.

Staff agrees with MMRO's review and recommends the Board approve Mr. Anthony Eason's application for the \$100,000 Public Safety Officer Permanent Disability Benefit.

Trustee Fisher made a motion to approve the request for the public safety permanent disability benefit for Mr. Eason. Trustee Gould seconded the motion, which passed unanimously.

FISCAL UPDATE

Fiscal Update / Expense Reports: Financial Executive Officer, Alex Simpson, updated the Board on PERSI's year-to-date expense reports for the Administrative and Portfolio funds as well as the quarterly financial statements.

The Board reviewed the preliminary April Board meeting agenda.

Director Drum informed the Board that the state is moving forward with consolidation of information technology processes. Trustee Price requested that an overview of PERSI information technology services and standards be presented to the Board at a future meeting.

Chairman Cilek stated that the Board would go to recess until 10:30 at which time the reception for Former Trustee Kirk Sullivan would begin.

Reception for Retired Trustee Kirk Sullivan

Chairman Cilek thanked former Trustee Kirk Sullivan for his 22 years of dedication to the Board. Chairman Cilek stated that all PERSI members and retirees have benefitted from the service of Mr. Sullivan. Executive Director Drum also thanked former Trustee Sullivan for his mentorship and his

dedication to PERSI. Director Drum then read a proclamation from the Governor's office naming March, 19, 2019 as J. Kirk Sullivan day. Members of the Board as well as reception attendees were invited to speak and offer their gratitude to Mr. Sullivan. In addition to members of the Board, former PERSI Chairman Jody Olson, former PERSI Executive Director Alan Winkle, and former Idaho Governor Phil Batt all thanked Mr. Sullivan for his dedication and commended him on his integrity and passion to help others. Former Governor C.L. Butch Otter and current Governor Brad Little were also in attendance for a portion of the reception.

The remainder of the Board meeting was held in the 3rd floor conference room of the PERSI Administration Building.

EXECUTIVE SESSION

At 11:25 a.m. Chairman Cilek stated the Board intended to move to Executive Session in accordance with Idaho Code 74-206(1)(b), to convene in Executive Session to consider personnel matters. Trustee Fisher made a motion to move into Executive Session. The motion was seconded by Trustee Gould, and approved unanimously via roll call vote.

Upon conclusion of the Executive Session, Trustee Fisher made a motion to return to regular session. Trustee Gould seconded the motion, which passed unanimously.

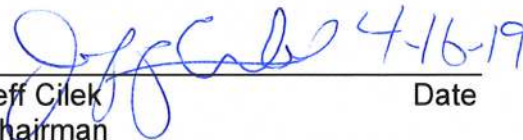
REGULAR SESSION

The Board returned to regular session at 2:00 p.m. Chairman Cilek stated that during the executive session the Board did not take any action or make any decisions.

Adjournment: No other decisions were made, and there being no further business to come before the Board, the meeting adjourned at 2:00 p.m.



Donald D. Drum _____ Date
Executive Director

 4-16-19

Jeff Cilek _____ Date
Chairman