



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 via Webex at 10:30 a.m., April 17, 2020. The following members were present:

Jeff Cilek
Joy Fisher
Celia Gould
Park Price
Darin DeAngeli

Executive Director Don Drum, Deputy Director Michael Hampton, Chief Investment Officer Bob Maynard, Investment Officer Richelle Sugiyama, Financial Executive Officer Alex Simpson, Deputy Attorney General Cheryl George, and Management Assistant Lena Rupp were also in attendance.

The meeting was called to order at 10:58 a.m. The purpose of this meeting was to test Webex connectivity and screen sharing for the regular PERSI Board meeting scheduled for April 21. No PERSI business was discussed and no decisions were made.

The meeting adjourned at 11:15 am.

The Board of the Public Employee Retirement System of Idaho met via Webex at 8:30 a.m., April 21, 2020. The following members were present:

Jeff Cilek
Joy Fisher
Celia Gould
Park Price
Darin DeAngeli

Executive Director Don Drum, Deputy Director Michael Hampton, Chief Investment Officer Bob Maynard, 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:

Susan Buxton	DHR	Ann O'Bradovich	Callan Associates
Leslie Hayes	Attorney General	Dan Bates	Clearwater
Brian Wonderlich	Governor's Office	Nate Fisher	Governor's Office

Other PERSI staff, staff advisors and members of the general public attended the meeting telephonically in listen only mode.

At 8:40 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 March 10 and March 11 meetings. Trustee Gould seconded the motion, which passed unanimously.

PORTFOLIO

Monthly Investment Report: Chief Investment Officer, Bob Maynard, provided the investment update. On February 19th, the fiscal year-to-date return was +9.1% and \$20.016 billion. By March 23rd the fund had decreased to -14.8% and \$15.606 billion. The fund has since rebounded to -2.4% and \$17.843 billion. The sick leave fund is down -3.0% at \$551 million. PERSI is a long-term investor, and in these times of market volatility, still follow the mantra of simple, transparent, focused and patient. The portfolio is reacting as expected given the current markets. The investment manager conference originally scheduled for July has been moved to 2021.

The fiscal department experienced some challenges with a recent portfolio transaction as ITS (Information Technology Services) was having widespread outages. Director Drum stated that the PERSI IT department worked with ITS and established an alternative route for handling these processes should an outage occur in the future. The Board directed Director Drum to reach out to Eide Bailly in regard to what enhancements can be added to our annual audit with a specific focus on information technology. Director Drum will provide an update on audit services offered by Eide Bailly at the May meeting.

Private Asset Update: The private equity valuation for March, which is based on December numbers, shows a 2-2.5% increase. The impacts of COVID-19 on the financial markets started in April and it is undetermined when this will show on the private markets books. Private equity transactions are currently frozen and may remain that way until fall. Private real estate is the same. REITS were down 20% as of the weekend. At fiscal year-end, private assets could end slightly positive depending on when adjusted valuations are finalized.

TALF: PERSI portfolio staff looked at participating in the recently reenergized Term Asset-Backed Securities Loan Facility (TALF) program. After consulting with Clearwater Advisors, staff decided not to participate due to the complexities, limited return opportunities, and time commitment involved.

Sick Leave: Chief Investment Officer Maynard and Investment Office Sugiyama led a lengthy discussion regarding the current sick leave policy and whether or not the Board would like to move forward with an immediate plan to give full discretion to CIO Maynard to take action towards de-risking should there be any significant market downturn. The Board agreed that they would like to further study the sick leave, judges and firefighters funds to gain a better understanding of the intricacies of each fund. The Board will continue policy discussions in upcoming governance sessions before making any final policy decisions. Director Drum stated that PERSI staff has already been working with Milliman on analysis of the funds and will move forward with those with the intent of giving a presentation of the findings to the Board later this summer. The Board requested that the funding status for sick leave be reported as a separate number in the daily portfolio reports moving forward.

BOARD

Executive Session: At 10:29 a.m. Chairman Cilek stated the Board intended to move to Executive Session in accordance with Idaho Code 74-206(1)(b) to consider personnel matters.

Trustee Price made a motion to go into executive session. Trustee Gould seconded the motion and the Board voted unanimously via roll call vote.

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

REGULAR SESSION

The Board returned to regular session at 11:30 am. Chairman Cilek stated during Executive Session no decisions were made.

EXECUTIVE DIRECTOR

PERSI Staff & Office Update: Approximately ½ of the PERSI staff are now working from home with no major issues or restrictions. The remaining staff have been spread throughout the building to allow for better social distancing. There have been no positive COVID-19 tests from staff. If someone were to end up with a positive test, the social distancing steps that have been taken would greatly reduce any impact on the office and services being provided. Call center volume has remained stable with around 200 calls per day. The Programs Department has been developing web-based trainings which they hope to roll out to members soon. Payroll is being processed in a timely manner and retiree benefits have not been delayed.

Budget Update: The Governor issued a budget directive on March 27th. Updated CEC guidelines were also issued by DHR & DFM on April 10th in accordance with the budget directive. All non-essential PERSI positions will remain vacant, FY 2021 CEC will be held until further instruction is received from DHR/DFM. This does not include the 3% pay line move for those staff whose pay falls below the new minimum rate for their paygrade. PERSI has a minimal group of employees who will receive the pay line increase. PERSI staff has also created a plan for the tentative 5% hold back. The main portion of this will be covered by the hiring freeze on open non-essential positions. The open investment manager position was included in the FY 2020 budget and, therefore, may not need to be included in the required hiring freeze. Director Drum and Investment Officer Sugiyama will reach out to DHR in regard to that position and will report back to the Board. Risk Management plans to be in attendance at the May Board meeting to present information on Directors & Officers Insurance. Director Drum will also follow up with the Attorney General's Office (specifically DAG Andy Snook) before the May meeting in regard to the second or special DAG for PERSI and will report back to the Board.

DEPUTY DIRECTOR

CARES Act: The Coronavirus Aid, Relief, and Economic Security (CARES) Act passed by Congress allows for optional COVID-19 related distribution to qualified individuals. Empower Retirement (plan record keeper) requires a letter of instruction from PERSI to implement any changes adopted by the Board for the Choice Plan. Actual plan amendments to allow for these changes are not required until 2024 by governmental plans. The CARES Act also includes mandatory waiver of Required Minimum Distribution (RMD) payments and does not require any Board action.

Trustee Fisher moved to adopt CARES Act in-service 401(k) distributions and loan repayment suspensions. Trustee DeAngeli seconded the motion which passed unanimously.

BOARD

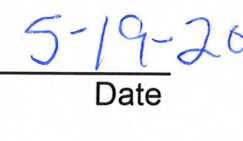

The Board reviewed the draft agenda for May. If any Board members would like to add items to the May agenda, Chairman Cilek requested they forward those to him for review.

Adjournment: No other decisions were made, and there being no further business to come before the Board, the meeting adjourned at 12:10 p.m.



Donald D. Drum
Executive Director

Date



Jeff Cilek
Chairman

Date