



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 Zoom at 12:00 p.m., August 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.

Along with members of the general public, other persons attending all or portions of the meeting were:

Amy McDuffee	Mosaic Governance	Ann O'Bradovich	Callan
Krissy Veseth	DFM		

At 12:10 p.m., Chairman Cilek called the meeting to order. He welcomed everyone to the meeting.

Amy McDuffee of Mosaic Governance reviewed the agenda for the meeting.

Krissy Veseth from the Division of Financial Management introduced herself to the Board. She is now the PERSI analyst recently hired to replace Tony Eldeen, who has moved on to another opportunity with the state.

Mosaic sent a survey to the Board in order to get a better understanding of each Board member's priorities for next steps in the governance process. From that survey it was established that the goals for the next 12 months include further exploring independent counsel for the Board, strategic planning including long-range plan for the Board, finalizing the funding guidelines update and other Board policies in the Governance Policy Manual, legislative initiatives including the definition of "Trustee" for Board service, review of the Defined Contribution plan and Sick Leave fund, and lastly, further exploration of liability insurance for the Board. The priorities for the next 1-3 years include review of Board independence, succession planning for PERSI staff and review of the PERSI disability benefit.

Director Drum met with the Risk Management division at the Department of Administration regarding Board Liability Insurance and has been told the current insurance coverage is sufficient for the Board's needs. Director Drum will again follow up with Risk Management and the Office of the Attorney General to get an updated memorandum of understanding addressing the current level of coverage for the Board, circumstances under which the Board would not be covered and to

what extent the Board would have influence regarding defense strategy and counsel selection should there ever be a legal dispute. Director Drum will provide an update on the request for the updated memo at a future Board meeting. Once the Board has an updated memo and the fund lineup for the Defined Contribution plan is evaluated they will consider the need for additional liability coverage. The Board would like PERSI staff to continue working with legislative leadership and Paul Headlee in the Legislative Services Office regarding removal of the notwithstanding language from PERSI statute. Director Drum will provide an update on these efforts at a future governance meeting. Chairman Cilek and Trustee DeAngeli will follow up with the Governor's office regarding the request for independent counsel as a line item in the budget. Director Drum will also follow up with the Division of Financial Management regarding independent counsel. The internal actuary position is almost ready for posting and should be available soon on the Division of Human Resources website. The final round of interviews will soon be scheduled for the investment officer position. The Board requested these interviews to be scheduled around the same time as a Board meeting if possible to allow ease in participation by the Board.

The Board conducted a final review of the first group of policies of the Governance Policy manual including:

- PERSI Organizational Accountability
- Board Authority, Role, and Responsibilities
- Trustee Responsibilities
- Board Chair Responsibilities
- Executive Director Responsibilities
- Statement of Delegation
- Board Meeting Operations
- Executive Director Evaluation

The Board requested that the reference of "staff" in the Board Chair Responsibilities policy be changed back to the original text of "management".

Trustee Gould made a motion to adopt the first tranche of policies listed above with the text change as requested on the Board Chair Responsibilities policy. Trustee Fisher seconded the motion, which passed unanimously.

The Board reviewed the first draft of the Chief Investment Officer Responsibilities and Chief Investment Officer Evaluation and Board Education policies. For Board education, the portfolio group as well as Director Drum will provide information on educational opportunities throughout the year that may be beneficial for the Board to consider attending. The Board discussed the need to have a travel policy and it was determined that a brief travel policy that cross-references the State's Travel policy should be developed for incorporating into the Governance Policy Manual. Mosaic staff will continue to work with PERSI staff on updating the drafts as requested by the Board. Ann O'Bradovich with Callan offered to help with drafting the next version of the policies as well. The updated drafts will be reviewed at a future governance meeting.

Executive Session: At 3:28 p.m. Chairman Cilek stated the Board intended to move to executive session in accordance with Idaho Code 74-206(1)(a) to consider hiring a staff member & Idaho Code 74-206(1)(b) to consider personnel matters.

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

Adjournment: No other decisions were made, and there being no further business to come before the Board, the meeting adjourned at 5:01 p.m.

Date _____