



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 in-person and via Zoom at 12:00 p.m., April 19, 2021. 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, 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:

Ann O'Bradovich	Callan Associates	Robert Schmidt	Milliman
Amy McDuffee	Mosaic Governance		

At 12:15 p.m., Chairman Cilek called the meeting to order. He welcomed everyone to the meeting.

Amy McDuffee of Mosaic Governance briefly reviewed the meeting agenda.

Contribution Rates/Experience Study: Robert Schmidt with Milliman presented information regarding contribution rate projections and the consideration of accelerating the next experience study by one year. The contribution rate projections were reviewed to see the probability of rates increasing over the next 20 years regardless of any assumption changes or COLAs and gain sharing. The last experience study was performed in 2018. These are typically updated every four years which puts the next study in 2022 if the timeframe is not adjusted. With the PERSI funding guidelines in the final drafting stages, it is important to make sure the assumptions being used are also up to date. Accelerating the study will allow for the best possible assumptions to be used in the COLA decision in the fall and any contribution rate decisions, specifically the tentative new rates for teachers. The study results will also be used in completing this year's valuations.

Trustee Fisher made a motion to move the experience study up by one year to 2021. Trustee DeAngeli seconded the motion, which passed unanimously.

Funding Guidelines: Chairman Cilek stated that there is no rush to finalize the funding guidelines and that the preference would be to hold the document in draft form and see how they fit into what happens the remainder of the year. Ms. McDuffee briefly reviewed what changes were made to the document from the discussion during the governance meeting last month and additional changes were requested. The newly updated draft will be reviewed at a future governance meeting.

Governance Policy Manual: Ms. McDuffee reviewed the current standing of the governance policy manual and what policies are in still in the drafting stage and those awaiting approval. The Board reviewed the Trustee Travel and Expense Reimbursement Policy and the changes made based on last month's meeting.

Trustee Price made a motion to approve the Travel and Expense Reimbursement Policy as presented. Trustee Fisher seconded the motion, which passed unanimously.

Based on the wording of the adopted policy, Mr. Maynard requested a Board vote to ratify what Board travel requests he has already approved and authorization to approve any additional Callan Conference requests including any discounts received from the travel being conference related. Director Drum stated the approved requests and completed vouchers are included the fiscal packet as part of the regular Board meeting materials and are considered approved by the Board during the meeting in which they are presented unless specifically noted otherwise.

Trustee Gould made a motion to ratify the Callan Conference travel requests that have been approved by Mr. Maynard. After additional discussion regarding the newly adopted policy, Trustee Gould withdrew her motion. A review of the travel policy may be included in a future meeting to clarify (or modify) the wording "preferred source".

Ms. McDuffee gave an overview of select PERSI peers public pension securities litigation policies with a focus on the Board considering lead or co-lead plaintiff status in cases. The Board's continued preferred strategy is to fulfill fiduciary responsibilities to protect assets and seek recovery of losses. Ms. McDuffee reviewed possible approaches for the selected strategy. She will update the draft policy using the information from the discussion and will present the updated draft at the next governance meeting. Ms. McDuffee recommended that PERSI staff work with the Office of the Attorney General to offer an opinion on the scope of fiduciary responsibility and lead or co-lead plaintiff status for the Board. Director Drum will contact NASRA regarding additional resources for an independent analysis of fiduciary responsibilities.

Long Range Plan: Chairman Cilek offered his appreciation to Ms. McDuffee and PERSI staff for all of the work that has been put into the creation of the long range plan. Ms. McDuffee summarized the reasoning behind why the plan was created and the purpose of the plan for moving forward. This internal long range plan encompasses both the Board and PERSI staff working together toward the stated goals. This is in addition to the strategic plan that is submitted each year to the Governor. The stakeholder surveys that were completed last summer are the main basis on which the plan was built. Ms. McDuffee outlined how all of the components of the plan are laid out within the draft. She also reviewed all of the goals/objectives and measures/targets created by PERSI staff. A final draft of the long range plan will be presented at the next Board meeting incorporating all of the comments and feedback received from the Board as well as staff.

Statutory Matters: Executive Director Drum stated that the recruitment for the open internal actuary position is still moving forward. There have been no qualified applications received. Deputy Hampton is now working with the Division of Human Resources (DHR) on redrafting the job posting and will also begin the process to request a salary increase for that position through next year's budget appropriation should no qualified applicants apply. The change in Executive Director at DHR will have no impact on the completion of the process.

Ms. McDuffee briefly reviewed the May governance agenda which includes reviewing the policies currently in drafting stages as well as the introduction of new policies, the final draft and tentative approval of the long range plan and any remaining pieces of Director Drum's evaluation.

