



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., May 17, 2021. The following members were present:

Jeff Cilek
Joy Fisher
Celia Gould
Park Price
Darin DeAngeli

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

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

Ann O'Bradovich	Callan Associates	Andy Snook	Attorney General
Amy McDuffee	Mosaic Governance	Brian Kane	Attorney General
Robert Schmidt	Milliman	Robert Klausner	Klausner, Kaufman, Jensen & Levinson

At 12:05 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.

Funding Guidelines: The actuarial experience study was moved up one year in light of the ongoing funding guidelines discussion. The intention is to leave the funding guidelines in draft form until the conclusion of the experience study so that an analysis may be conducted to verify the appropriateness of the funding guidelines as written. Should no changes be requested, the intention is to adopt the guidelines at that time. The Board reviewed the updated draft of the guidelines and requested no additional changes. The guidelines will be reviewed again later in the year.

Long Range Plan: The Board reviewed the updated draft of the long range plan document. Some discussion was held regarding what is appropriate for the long range document versus an internal employee handbook. Deputy Hampton reviewed the plan for evaluating positions and job classifications associated with the internal staff goals and measurements. The state sets job classifications, however, PERSI staff are required to have very focused skills and knowledge that may fall outside of the general classifications. The goal is to make sure PERSI staff are classified appropriately and are within the appropriate pay scale range. The requested updates to the core values wording will be included in the final draft that will be presented at the July governance meeting for tentative adoption.

Ethics: Brian Kane, Chief Deputy with the Office of the Attorney General, gave a general overview regarding Ethics in Governance. The Board further discussed conflict of interest of legal representation for the Board as well as the Bribery and Corrupt Influences Act. Mr. Kane recommends that the Board include an ethics review as part of the meeting agenda annually or bi-annually.

Governance Policy Manual: Amy McDuffee introduced Robert Klausner of Klausner, Kaufman, Jensen & Levinson based out of Florida. Mr. Klausner works with pension systems all over the country and is also on the NASRA executive committee with Director Drum. Mr. Klausner gave his opinions on the draft securities litigation policy and the Board taking on lead plaintiff or co-lead plaintiff in class action and securities litigation cases. Mr. Klausner suggested adding wording that allows delegation of authority to the executive director or to the executive director along with the Board chairman to be able to take expedited action outside of the full Board. Mr. Klausner agrees with the 5 million asset base for a pension system the size of PERSI. Mr. Klausner stated that the Board taking lead plaintiff status should be considered on a case by case basis and main benefit to lead plaintiff is having more control over settlement amount agreements. Mr. Klausner does not feel taking lead plaintiff status increases Board fiduciary duty. Mr. Klausner recommends the Board use liaison counsel who is not the lead securities litigator for securities litigation cases. Ms. Sugiyama stated that she has other pension systems who are available to offer their opinions on taking lead and co-lead should the Board be interested. Ms. McDuffee will incorporate the information presented into the securities litigation policy for the Board to review at the July meeting.

The Board held a general discussion regarding how they would like to approach drafting the legislative policy and succession planning policy. The Board would like PERSI staff (primarily the Executive Director) to continue focusing on education for legislators and building rapport as top priorities. Especially as new legislators come in to office who may not be as familiar with the system and how it works. PERSI has historically taken the position to be a source of information, especially when there is going to be a cost impact to the system, but not take the lead in advocating for/against or influencing initiatives. The Board opted not to have a stand-alone legislative policy at this time as the Board Chair Responsibilities and Executive Director Responsibilities with the Governance Policy Manual already cover the Board's current position on legislative matters. They requested that PERSI staff include the Board in notifications regarding timing for new legislation and status updates during the legislative session on any bills that may impact PERSI including schedules of legislative hearings that staff are participating in.

Succession planning practices for public pension boards have become more robust over the last few decades. This includes documenting expectations of trustees, on-boarding processes and engaging in long-range planning practices. Although the Board positions are appointed, the Board still has some control over succession planning in regard to staffing including positions that report directly to the Board such as the Executive Director and Chief Investment Officer as well as ensuring that there is a plan in place for all other critical positions that report to the ED and CIO. The Board would like to have the policy take a general approach on succession planning and the principles therein. Ms. McDuffee will draft the policy according to the discussion for the Board to preview at the July meeting.

Statutory Matters: Deputy Hampton stated there will be a budget request document for the Board to review at the July meeting with approval due at the August meeting. At the last Governance meeting there was discussion regarding preapproval for travel including what information should be part of public Board packet materials. Due to cyberstalking concerns raised by staff, upcoming travel information will not be included in packets moving forward. Post travel reporting will continue to be provided.

Ms. McDuffee briefly reviewed the July governance agenda which includes reviewing the policies currently in drafting stages as well as the introduction of new policies and the final draft of the long range plan for tentative approval.

Executive Session: At 3:55 p.m. Chairman Cilek stated the Board intended to move to executive session in accordance with Idaho Code §74-206(1)(b).

Trustee Fisher made a motion to go into executive session in accordance with Idaho Code §74-206(1)(b) to consider personnel matters. Trustee Price seconded the motion and the Board voted unanimously via roll call vote.

Upon conclusion of the executive session, Trustee Gould made a motion to return to regular session. Trustee DeAngeli seconded the motion, which passed unanimously.

Regular Session: The Board returned to regular session at 4:30 p.m. Chairman Cilek stated that during executive session no decisions were made.

Adjournment: There being no further business to come before the Board, the meeting adjourned at 4:35 p.m.



Michael Hampton
Deputy Director



Date



Jeff Cilek
Chairman



Date