



PUBLIC EMPLOYEE RETIREMENT SYSTEMS OF IDAHO
607 North 8th Street, Boise, Idaho 83702

MINUTES OF MEETINGS OF RETIREMENT BOARD

The Board of the Public Employee Retirement System of Idaho met in-person at 11:00 a.m., August 15, 2022. The following members were present:

Jeff Cilek
Joy Fisher
Park Price
Celia Gould
Darin DeAngeli

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

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

Ryan Cook	Milliman	Branden Kennah	PERSI
Alex Simpson	PERSI	Christine Otto	LSO
Lori Wolff	DHR	Janelle White	DHR
Mike Anderson	PERSI	Michael Kennedy	Korn Ferry
Robert Klausner	Klausner, Kaufman		

At 11:00 a.m., Chairman Cilek called the meeting into order. He welcomed everyone to the meeting.

Executive Session: At 11:15 a.m. Chairman Cilek stated the Board intended to move to executive session in accordance with Idaho Code §74-206(1)(a)(b).

Trustee Gould made a motion to go into executive session in accordance with Idaho Code §74-206(1)(a) to consider hiring a public officer, employee, staff member or individual agent and Idaho Code §74-206(1)(b) to consider the evaluation, dismissal or disciplining of, or to hear complaints or charges brought against, a public officer, employee, staff member or individual agent. Trustee Price seconded the motion and the Board voted unanimously via roll call vote.

Upon conclusion of the executive session, Trustee Fisher 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 12:32 p.m. No decisions were made.

Approval of the Minutes Trustee Fisher made a motion to approve the minutes of the June 27 and June 28 meetings. Trustee DeAngeli seconded the motion, which passed unanimously.

EXECUTIVE DIRECTOR

Proposed Legislation

Director Drum presented House Bill 553. FBI background checks for PERSI passed the legislature and was signed by the Governor on March 14, 2022. As part of the federal review procedure, the final approved legislation was sent back to the FBI. The FBI granted PERSI a one-year conditional usage of the background check system, with the following request to change the language in the current statute. PERSI staff is recommending the Board approve to change *individuals* to *individual* and strike - *including but not limited to* – from the FBI background checks language.

Trustee Fisher made a motion to strike the language as presented. Trustee DeAngeli seconded the motion, which passed unanimously.

New Employers

Director Drum mentioned new employer Gem Prep: Twin Falls LLC effective July 1, 2022 with 20 full time employees. New employer meets the definition under §59-1302 (5).

Status Report

Director Drum provided an update of his upcoming employer tour scheduled to start next week. He will have all meetings completed by next Board meeting. Director Drum will present feedback in September.

Director Drum discussed possible proposed rate increases and what that may look like. Milliman completed a projection of rate increase based on last year's data. He presented the Milliman projections to the Board showing the possible increase. Director Drum stated he would have a recommendation for the Board in September's meeting.

Rule of 80

Director Drum explained the discussions occurring due to the Rule of 80 job titles added and their descriptions. He clarified that at this time only the approved job titles and the descriptions are the only ones that qualify for the Rule of 80. Director Drum explained the denial of applicants who had a job title change to match the job title in section 59-1303, but had a different job description that those employees initially allowed rule of 80 with the job title listed in section 59-1303. At this time, PERSI staff is working to stay with the approved job titles and descriptions in Idaho Code, and waiting to see the language from the Governor's office in the next couple of weeks.

Choice Plan Document

Trustee DeAngeli and Deputy Director Mike Hampton continue to work on the document and will have the report ready to present in September's meeting.

Employer Withdrawing

Director Drum briefly mentioned the withdrawal of Nampa/Wilder Virtual Charter School. PERSI is analyzing the impact of the withdrawal on the school and the members employed by them. A report will be available for the September meeting.

ITS

Director Drum discussed DFM's decision to move forward with phase three of the IT consolidation ITS. Director Drum explained PERSI staff could make the decision to voluntarily move to ITS at any time as there is no timeline at this point on volunteering. He has spoken to PERSI IT regarding going fully to ITS or utilizing some ITS services.

Director Drum let the Board know Mr. Weeks stated there is a new service level agreement (SLA) for all agencies. After some discussion, the Board asked that PERSI staff obtain the new SLA and propose modifications that will meet PERSI needs.

Director Drum will reach out to Mr. Weeks, provide dates to future Board meetings, and will ask if he would be available to attend and open dialog with PERSI staff to find the most appropriate solution to move forward.

PERSI IT staff will have the presentation ready for the October meeting.

FISCAL

Update/Expense Reports/Travel

Financial Executive Officer, Alex Simpson, gave the FY2023 fiscal update. He presented the expense reports, scheduled and completed out of state travel, and an unaudited Quarterly Financial Statements.

FY 2024 Budget Request

Mr. Simpson presented the FY2023 Base Budget for both Administration and Portfolio.

Administration

Mr. Simpson discussed the replacements items and total amount request. He reviewed the FY2024 proposed budget request, which included the upgrade to Arrivos 2.0 that will be a 4-year plan, salary equity adjustments, additional FTP, rental increases and additional travel.

Director Drum explained the salary equity adjustments for the agency as a whole. He explained the current positions and advancements and the affects to the lower job classes with lower pay. He also gave a brief explanation of the additional FTP needed.

Portfolio

Mr. Simpson discussed the replacement request items and the cost. He also presented the salary adjustment for CIO and Deputy CIO, building increases, and the total cost.

The Board, Director Drum, and Mr. Simpson discussed the salary adjustments, CIO and Deputy CIO position, possible third position request, and the budget. Director Drum explained DFM and DHR possible take on third position and its budget and asked that PERSI staff work with DFM and DHR on third position.

Director Drum reported on the brief discussion with both Lori Wolff, DHR and Christine Otto, LSO. Director Drum explained the deadlines for budget requests.

Trustee Fisher made a motion to approve Proposed Budget Request as presented. Trustee DeAngeli seconded the motion and the Board voted unanimously via roll call vote.

Choice Plan

Mike Anderson reviewed status of the Choice Plan Administration Expense Account and discussed Choice Plan Fee structures scenarios for \$4k - \$7k expanded free structure.

Trustee Fisher will continue to work with PERSI Fiscal Department to narrow down fee structure and present in September.

BOARD

September Agenda: The Board reviewed the draft agenda for September. The Choice Plan Documents, Budget Discussions, Board manual, and Milliman report are to be added to agenda.

Executive Session: At 2:47 p.m. Chairman Cilek stated the Board intended to move to executive session in accordance with Idaho Code §74-206(1)(f).

Trustee Gould made a motion to go into executive session in accordance with Idaho Code §74-206(1)(f) to communicate with legal counsel for the public agency to discuss the legal ramifications of and legal options for pending litigation, or controversies not yet being litigated but imminently likely to be litigated. Trustee Fisher 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 Fisher seconded the motion, which passed unanimously.

Regular Session: The Board returned to regular session at 3:27 p.m.

Trustee Gould moved to accept the advice on Alexion from counsel. Trustee Fisher seconded the motion, which passed unanimously.

Adjournment: There being no further business to come before the Board, the meeting adjourned at 3:29 p.m.


Donald Drum _____ Date 9/20/22
Executive Director


Jeff Cilek _____ Date 9/20/22
Chairman