



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., January 18, 2022. 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:

Amy McDuffee	Mosaic Governance	Robert Schmidt	Milliman
Ann O'Bradovich	Callan Associates	Robert Klausner	Klausner, Kaufman, Jensen & Levinson

At 12:10 p.m., Chairman Cilek called the meeting to order. He welcomed everyone to the meeting, reviewed the objectives and agenda of the meeting.

ITS Transition: Trustee DeAngeli stated that a draft Service Level Agreement was sent to ITS on December 10th to which a follow up draft was sent on January 5th. PERSI staff, ITS staff, AG staff and Nate Fisher from the Governor's office held a meeting last Thursday (January 13th) to discuss the December draft. Just before the start of today's Governance meeting, ITS forwarded a new draft reflecting changes they are requesting. Director Drum stated that a follow up meeting with ITS is scheduled to take place January 21st. Implementation is scheduled to be effective July 1, 2022 presuming there are no issues causing delay. Mr. Klausner stated that he believes the discussion was constructive and that ITS staff understand the PERSI Board takes their fiduciary responsibility seriously and are not going to delegate anything without appropriate protections. Mr. Klausner is planning to review the draft received today with DAG George tomorrow. The next step will be to send comments back to ITS and schedule a follow up discussion to review. Nate Fisher stated that he also believes the conversations have been productive. This transition is a priority for the Governor and the Governor's Office will continue to honor their commitment to the PERSI Board to have a satisfactory SLA in place prior to the final implementation.

Funding Guidelines: Chairman Cilek stated that the draft funding guidelines have been final reviewed and all requested adjustments from the December meeting have been made. PERSI staff have also reviewed the final draft and all staff requested adjustments have been made. The funding guidelines will continue to be tested against policy and adjustments will be made as

needed. Ms. McDuffee reviewed additional changes requested by Trustee Price subsequent to the December Governance meeting.

Trustee Price made a motion to adopt the funding guidelines for the base plan as amended and to sunset the previous policy adopted in 1998. Trustee Fisher seconded the motion, which passed unanimously.

Governance Policies: Chairman Cilek stated the framework of the ethics policy has been discussed at length including what Idaho Statute allows. Trustee Gould stated that she does not feel a separate Board policy regarding ethics is necessary as Idaho Statute covers good ethical practices. Trustee Fisher concurs with Trustee Gould's opinion and does not see a need for a separate Board policy. Mr. Klausner stated he believes that an ethics policy is valuable for future PERSI Board members even if the policy simply defers to state statute or Attorney General guidelines. The policy helps to provide public affirmation by the Board regarding ethics and helps to protect the Board should future ethical issues arise. The Board, along with PERSI staff and Mr. Klausner, held a comprehensive conversation and review of the draft ethics policy including example scenarios regarding ethics violations. Any additional feedback will be sent to Ms. McDuffee prior to the next Governance meeting for incorporation into the draft.

The Board reviewed the draft Budget Approval Process policy and will send any requested changes or updates to Ms. McDuffee prior to the February Governance meeting.

Statutory Matters: Director Drum gave an update on the status of the open internal actuary position. The State of Idaho had been considering consolidating actuarial services and opening an RFP which was impacting the ability for PERSI to move forward with procuring their own actuary. Director Drum spoke with Director Reynolds at the Department of Administration and Director Reynolds confirmed that PERSI would not be included in the consolidation and therefore allowed to continue moving forward with hiring an actuary. PERSI staff is now in the process of developing an RFP to acquire actuarial services through a contractor in lieu of hiring an internal actuary.

Director Drum provided an update on legislation that has been introduced so far this session. HB220A is a bill that passed last session regarding abortions. There are parts of the bill that could potentially impact PERSI including wording regarding the use of public funds. PERSI does not consider PERSI funds to be public. Director Drum spoke with Andy Snook at the Idaho Attorney General's Office who stated that this bill would apply only to new contracts. Mr. Snook stated that if there was any question, the Attorney General's position would be that PERSI is not public funds. Director Drum will work with DAG George and Mr. Snook to get something in writing regarding the matter including the Board's fiduciary responsibility.

Ms. McDuffee reviewed the tentative agenda items for the February Governance meeting including an update on the ITS transition and review of additional Governance Policy Manual draft policies.


Executive Session: At 2:35 p.m. Chairman Cilek stated the Board intended to move to executive session in accordance with Idaho Code §74-206(1)(a).

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. Trustee Fisher seconded the motion and the Board voted unanimously via roll call vote.

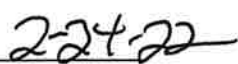
Upon conclusion of the executive session, Trustee Price made a motion to return to regular session. Trustee Gould seconded the motion, which passed unanimously.

Regular Session: The Board returned to regular session at 3:55 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 4:00 p.m.



Donald Drum
Executive Director



Date



Jeff Cilek
Chairman



Date