



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 8:30 a.m., January 19, 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, 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:

Jim Brecker	Mondrian	Robert Schmidt	Milliman
Liz Desmond	Mondrian	Kelly Cross	PERSI
Christopher Davis	Mondrian	Chris Brechbuhler	Clearwater
Ann O'Bradovich	Callan	Dan Bates	Clearwater

At 8:35 a.m., Chairman Cilek called the meeting to order. He welcomed everyone to the meeting and gave special recognition of the staff advisors in attendance.

Approval of the Minutes Trustee Fisher made a motion to approve the minutes of the December 6 and December 7 meetings. Trustee Price seconded the motion, which passed unanimously.

PORTFOLIO

Monthly Portfolio Update Investment Officer, Richelle Sugiyama, provided the investment update including general commentary on market challenges, investments and the economy. PERSI has lost -1.6% so far this month for a fiscal year-to-date return of +3.6% at \$24.122 Billion. The Sick Leave Funds are up +1.6% for the fiscal year-to-date at \$707 Billion. This month US equities (R3000) have lost -2.6% for a fiscal year of +6.3%. International developed markets (MSCI EAFE) have dropped -0.1% for a FYTD gain of +2.3%. Global developed market equities (MSCI World) are down -1.8% for a +6.1% fiscal year and investment grade bonds (BB Aggregate) dropped -1.8% for the month for a -1.8% fiscal year-to-date. Emerging markets (MSCI Emerging) have gained +2.1% to decrease the fiscal year loss to -7.2%. REITs (DJ Select REIT) have retreated -3.3% to +14.7% for the fiscal year. TIPS are off -2.5% to +1.6% for the fiscal year. Private real estate has a gain of +15.9% and private equity has gains of +22.0% for the fiscal year.

Investment Manager Market Commentary Investment Officer, Richelle Sugiyama, introduced Elizabeth (Liz) Desmond, Christopher Davis and James (Jim) Brecker with Mondrian Investment Partners who provided remarks on global markets as well as Japanese equities.

EXECUTIVE DIRECTOR

Legislative Update Executive Director, Don Drum, gave an update on the status of all hearings and legislation that PERSI is currently aware of. This week Director Drum is scheduled to speak at the meetings for the Change in Employee Compensation Committee, the Joint Finance-Appropriations Committee and the Senate Commerce and Human Resources Committee. Director Drum reviewed the legislation potentially on the docket for this session (as well as potential impact) including return to work for all members of PERSI who are eligible and retired before January 1, 2022; an alternative retirement solution or plan for teachers; limitations on the use of sick leave by Public Health Districts; rule of 80 for dispatchers as well as other positions; and school district health insurance being moved to the Office of Group Insurance.

PERSI staff received a request and an addendum for the Board to reconsider their discretionary COLA decision. Chairman Cilek stated the Board has received the request. No further discussion was held and no action was taken.

DEPUTY DIRECTOR

Public Safety Officer Benefit Officer Wyatt Maser's spouse has applied for and received the Public Safety Officer Death Benefit, as promulgated by Idaho Statute §59-1361A. This benefit is payable to the officer's surviving spouse or divided among the officer's dependent children. As outlined in §59-1361A, the officer's death must have occurred in the line of duty as defined in regulations issued by the United States department of justice pursuant to 42 U.S.C. section 3796. Notification to the Board is to honor the service and sacrifice of Officer Maser and his family. No action was required by the Board.

New Employers Deputy Hampton introduced two new employers active as of January 1, 2022. Water District 65 meets the definition of an employer/governmental entity. They currently have one full time employee. Opaline Irrigation District meets the definition of an employer/governmental entity. They currently have one full time employee. No cost study was needed for either employer.

Long Range Plan Deputy Hampton has been working with the Division of Human Resources and the Division of Financial Management on a plan for the use of salary savings. This is in accordance with Objective A of the Long Range Plan regarding staffing. The plan includes ongoing equity adjustments for the lower paygrades and one-time adjustments for all other positions. DHR and DFM have given preapproval of the plan. The plan is to implement the adjustments as soon as possible. Next steps for the Long Range Plan goals are gathering position descriptions which are being worked on now by all PERSI managers. The tentative completion date for this task is March 31st. Once complete the descriptions will be sent to DHR who will work on assigning classifications (equate to paygrades) for each position. PERSI staff will discuss any discrepancies with DHR at that time. PERSI staff will then build a budget and pay plan for moving forward. The Board will receive a budget request for approval which will include all of this information.

The Change in Employee Compensation committee is meeting now to decide what their recommended motion will be for legislative approval. The current recommendation from the Governor's Office to the committee is a 2% pay raise for all state employees with an additional 3% available based on merit. As soon as a final recommendation is adopted, PERSI will complete their internal CEC matrix and implement as soon as possible.

FISCAL

Update/Expense Reports/Travel Financial Executive Officer, Alex Simpson, gave the fiscal update and presented the expense reports. There has been no travel since the last update.

BOARD

The Board reviewed the draft agenda for the February Board meeting.

Recess: The Board recessed at 11:35 a.m. for an informal lunch to engage with PERSI staff and any in-person attendees. The Board room was open and all members of the general public were welcome to participate in-person.

Reconvene: The Board reconvened at 12:55 p.m. During the informal lunch recess, no PERSI business was discussed and no decisions were made.


Executive Session: At 1:00 p.m. Chairman Cilek stated the Board intended to move to executive session in accordance with Idaho Code §74-206(1)(a).

Trustee Fisher 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 Gould 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 Fisher seconded the motion, which passed unanimously.

Regular Session: The Board returned to regular session at 3:20 p.m. During executive session the Board reviewed proposals from the search firms for recruitment of the Chief Investment Officer position and negotiations have concluded.


Adjournment: There being no further business to come before the Board, the meeting adjourned at 3:25 p.m.



Don Drum
Executive Director

2-24-22

Date



Jeff Cilek
Chairman

2-24-22

Date