



PUBLIC EMPLOYEE RETIREMENT SYSTEMS OF IDAHO  
607 North 8<sup>th</sup> Street, Boise, Idaho 83702

MINUTES OF MEETINGS OF RETIREMENT BOARD

The Board of the Public Employee Retirement System of Idaho met in-person at 1:00 p.m., September 19, 2022. The following members were present:

Jeff Cilek  
Joy Fisher  
Park Price  
Celia Gould  
Darin DeAngeli

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

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

Ann O'Bradovich	Callan Associates	Branden Kennah	PERSI
Amy McDuffee	Mosaic Governance	Alex Simpson	PERSI
Robert Klausner	Klausner, Kaufman	Jeff Weak	ITS
Larry Sweat	PERSI		

At 1:07 p.m., Chairman Cilek called the meeting to order. He welcomed everyone to the meeting, reviewed the objectives and agenda of the meeting.

BOARD

Board Manual

Amy McDuffee discussed a few sections of the Board manual – long-range plan, calendar, and governance policies. Ms. McDuffee stated the manual was a great reference point, will serve PERSI Board well, and formalizes the consensus view of the PERSI Board.

Deputy Director Hampton discussed the 12-month calendar and explained the intent to keep the calendar updated each month.

Trustee DeAngeli suggested having the calendar added to every Board packet each month.

PERSI staff will track of the policy updates and update the manual as needed. Mr. Hampton explained the 2022 Legislative Update book. Trustee DeAngeli suggested having the current statutes and rules in one section and all other information in another section.

## EXECUTIVE DIRECTOR DRUM

### ITS: Implementation of Pension Fund Best Practices

Jeff Weak, Office of ITS, discussed the ITS modernization and the Governor's initiative to consolidate IT statewide. Mr. Weak stated that ITS was looking at all state agencies, their functions, service catalogs, and personnel needs. He explained there were eight agencies identified including PERSI to join Phase 3 of the modernization. Mr. Weak discussed the 10 FTEs and stated PERSI would have five and ITS will have the other five. Mr. Weak also discussed the issues of finance and SWICAP.

Trustee Price asked about running PERSI's unique specialized system through ITS's system. Mr. Weak explained ITS can account for unique operating systems and migrate from different server systems.

Larry Sweat explained PERSI staff currently conducts cyber security checks and processes. Mr. Sweat explained ITS cyber security sweeps are currently in place. Mr. Weak indicated ITS along with PERSI staff would decide on what systems, services, tools and hardware would remain with PERSI and what would transition to ITS. Mr. Weak explained there is an ITS person available on call for any issues.

Chairman Cilek discussed the status of the SLA (Service Level Agreement). Mr. Weak explained PERSI could continue with SLA previously worked on, use the new SLA template, or a combination of both.

Chairman Cilek emphasized the need to focus on completing the SLA before amending the budget. The Board did not vote for amending the budget, preferring to wait until the SLA is completed.

Robert Klausner recommended all who were involved with the previous SLA document to have a refresher meeting.

Director Drum explained PERSI staff will be meeting with Mr. Weak next week. He also let the Board know Cheryl George currently has all the previous documents, new template, and PERSI staff can begin its review.

Nate Fisher stated ITS does remain a priority for the Governor and appreciates the time, energy and effort given last year. He is hopeful the SLA will be completed in due course.

Trustee Fisher asked regarding the time line given to complete the process. Director Drum provided the deadline for budget revisions. Mr. Weak stated ITS is expecting to physically start transitioning services around June 2023.

### Rule of 80

Director Drum provided a brief update on the new rule of 80 job titles added to statute, including the new job titles added, feedback on the job titles not added, and leaving supervisory positions out. The Director updated the Board on discussions he has had with the Governor's office, DHR and other agencies regarding adding additional job titles next legislative session. He informed the Board he would begin meeting with Agency personnel who had Rule of 80 employees starting this week.

Director Drum reviewed the Rule of 80 Public Safety Members presentation and the growth of Rule of 80. He explained the change in 2018, which provided that only the legislature could add

job titles to Rule of 80. He also discussed the estimates provided by Milliman on projected changes in cost the impact of increasing the high forty-two month AMS (average monthly salary) at the end of career, the impact of benefit enhancements, and equity within the class. Director Drum also discussed original intent of Rule of 80 language when it was first codified in statute.

Annual Actuarial Valuations

Director Drum updated the Board that Milliman will present the annual actuarial valuations for all plans at the October meeting.

Executive Session: At 3:27 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 Idaho Code §74-206(1)(a) to convene in executive session to consider hiring a public officer, employee, staff member or individual agent, wherein the respective qualities of individuals are to be evaluated in order to fill a particular vacancy or need. 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 Price seconded the motion, which passed unanimously.

Regular Session: The Board returned to regular session at 4:31 p.m. Trustee Gould made a motion that a candidate for Chief Investment Officer has been identified and the candidate has accepted the offer. The hiring process is concluded. The appointment is effective October 1, 2022. Trustee Price seconded the motion and the Board voted unanimously via roll call vote.

Adjournment: There being no further business to come before the Board, the meeting adjourned at 4:36 p.m.

		12-6-22
Donald Drum	Jeff Cilek	
Executive Director	Chairman	