



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 8:30 a.m., September 20, 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 Schmidt	Milliman		

At 8:33 a.m., Chairman Cilek called the meeting to order. He welcomed everyone to the meeting, reviewed the objectives and agenda of the meeting.

Approval of the Minutes: Trustee Fisher made a motion to approve the minutes of the August 3rd, 4th, 15th, 17th, and 22nd meetings. Trustee Price seconded the motion he motion passed unanimously.

PORTFOLIO

Monthly Portfolio Update Chief Investment Officer, Bob Maynard, provided the investment update including general commentary on market challenges, investments and the economy. Total Fund return is down -0.4% for the month and up +1.4% for a fiscal year-to-date and total assets are \$21.059 Billion. Mr. Maynard gave a brief review of the asset allocations of each account based on asset class on the month end report, including individual managers' pages

Investment Manager Market Overview:

Mr. Maynard introduced Genesis Investment presenters, Arindam Bhattacharjee (Managing Partner), Mireli Antun (Senior Relationship Manager), and Martina Jersakova (Senior Relationship Manager). Mr. Bhattacharjee gave an overview of the Emerging Markets and annualized returns from 10 years to 20 years between MSCI EM and MSCI World. He also

described how COVID has accelerated online transitions. Mr. Bhattacharjee discussed the 10 largest Chinese companies by Market Cap as well as remaining opportunities in China.

Callan Amendment

Mr. Maynard discussed Callan's acceptance of the engagement to review the Idaho Commercial Mortgage Investment Program. He presented the Board with the "Second Amendment to Amended and Restated Agreement for Investment Consulting Services" for Board consideration. Sally Haskins of Callan stated Callan is excited to work on this side of the portfolio. Ms. Haskins indicated if approved Mr. Gould and Ms. Bernard would be appointed to handle this account.

Trustee Gould move to approve the Callan Amendment as presented. Trustee Fisher seconded the motion. The motion passed unanimously.

Clearwater Update

Mr. Maynard gave a brief update on Clearwater project. He stated Clearwater is currently working on the replica of the entire custodial system daily valuation in order to build the requested reporting system.

Alex Simpson, Financial Executive Officer, stated PERSI fiscal staff is working with Clearwater on reconciling numbers.

EXECUTIVE DIRECTOR

Employer Tour Update

Director Drum provided an update of his statewide employer tour he stated his meetings focused on fund sustainability, market volatility, inflation, COLA's and the upcoming legislative sessions. He reported on the positive feedback he received.

Valuation Reports

Robert Schmidt of Milliman presented the draft 2022 Actuarial Valuation reports for the Judges Retirement Fund (JRF), Firefighters Retirement Fund (FRF), Sick Leave Plans and PERSI Base Plan. After in-depth discussion, the Board requested contribution rate adjustment scenarios, which will result in the amortization period being below twenty-five years and spread over a three-year implementation period. Director Drum will work with Milliman and present the options to the Board at the next Board meeting.

DEPUTY DIRECTOR

Contested Case – James Walker Deputy Director Hampton presented the Board their options for this case including the following: schedule oral arguments by the parties before the Board prior to issuing final order, remand the matter for further evidentiary hearings or vocational assessment if further factual development is needed, or issue a final order accepting, rejecting or modifying the Recommended Order from the Hearing Officer.

Trustee DeAngeli, made a motion to accept the Hearing Officer's Final Order in accordance with the Hearing officers findings, that the application for disability retirement be denied. Trustee Fisher seconded the motion. The motion passed unanimously.

Staffing Update

Deputy Hampton provided an update on the current status of recruiting for open positions. He also updated the Board on the areas to improve recruitment/retention including moving wages towards market, addressing internal wage compression, implementing a hybrid work model,

requesting new positions, and staying involved with DHR in their statewide compensation project.

FISCAL

Fiscal Update/Travel/Expense Report

Fiscal Executive Officer, Alex Simpson gave the fiscal update and presented the expense reports.

Class Action Services

Deputy Attorney General Cheryl George, explained the need for class action filing services to also include anti-trust class action services.

PERSI staff will reach out with an RFI to explore other class action service firms, provide RFI to Trustee DeAngeli before going out, and bring back findings to the Board.

October Agenda: The Board reviewed the agenda for October. The Board requested staff to include a Rule of 80 update and an ITS agreement update.

Executive Session: At 11:18 a.m. Chairman Cilek stated the Board intended to move to executive session in accordance with Idaho Code §74-206(1)(f)

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

Upon conclusion of the executive session, Trustee DeAngeli 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 12:01 p.m.

Adjournment: There being no further business to come before the Board, the meeting adjourned at 12:05 p.m.

		
Donald Drum	Jeff Cilek	
Executive Director	Chairman	
		12-8-22
		Date