



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 19, 2023. The following Trustees were present:

Jeff Cilek
Joy Fisher
Park Price
Lori Wolff

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

In attendance in-person or via zoom were:

Aaron Chochon	CavMav Consulting
Robert Schmidt	Milliman

At 8:33 a.m. Chairman Cilek called the meeting to order.

APPROVAL OF MINUTES Trustee Fisher moved to approve the minutes of the August 21st and August 22nd meetings. Trustee Wolff seconded the motion. The motion passed unanimously with those present.

EXECUTIVE DIRECTOR AND DEPUTY DIRECTOR

Meeting with Legislators Tour

Director Drum informed the Board of an upcoming Legislative Tour inviting PERSI to attend. The Board stated PERSI should attend. Director Drum will reach out and confirm PERSI's attendance.

Employer Meetings Update

Director Drum provided an update on current meetings being held with employers and their feedback. He informed the Board of the education he is providing in the meetings which will continue through October.

Director Drum also informed the Board of meetings with retiree groups. He explained the retired educator's group has reached out and he has completed one meeting in Boise and will be attending another meeting in North Idaho at the end of the month.

Rules

Deputy Hampton provided an informational update on the status of the rulemaking process. He explained the Bureau Chief of Regulatory and Legislative Affairs has provided feedback and PERSI staff is working with their office through the negotiated rulemaking phase.

PERSI Staffing Update

Deputy Hampton provided an update on PERSI's onboarding of staff, including new positions for the Programs, Fiscal, and Member Services Departments.

Compression and Classification Update

Deputy Hampton informed the Board of his meeting with the DHR representative to discuss the concerns with regards to compression, classification, and recruiting.

Luma Update

Deputy Hampton provided an update on Luma. He informed the Board of the significant progress on bi-weekly payroll transmittal. PERSI continues to meet twice a week with SCO staff, and developers to identify and correct issues as they arise, as well as the work towards the process to eliminate batch processing.

Chief Financial Officer, Alex Simpson provided an update of the fiscal department with regards to Luma. PERSI staff is focusing on payroll transmittals, and reporting errors. He confirmed the process continues to improve.

Internal Audit RFP Update

Purchasing Agent, Jon Wald provided an update on the internal audit RFP including the schedule, and the evaluation team selected to review the proposals. He informed the Board that PERSI has received four proposals and stated Trustee Fisher has reviewed and approved changes to the terms and conditions requested by respondents. Mr. Wald anticipates the evaluations of the proposals to take four to five business days to complete. Mr. Wald explained that once the evaluation team has completed its review of the proposals, oral presentations will be scheduled.

Contribution Rate Adjustment

Director Drum reviewed the return-to-work contribution rate adjustments proposed for Public Safety members. He highlighted two funding period options: July 1, 2024 through June 30, 2027 with a rate increase of 1.14% and July 1, 2024 through June 30, 2028 with a rate increase of 0.87%. Director Drum explained that either options should address the estimated cost of the benefit enhancement, but the second option would include a year of contributions rates paid by the public safety class after the sunset of the benefit enhancement.

Trustee Price made a motion to approve the July 1, 2024, to June 30, 2027 option, for an increase of +1.14%. Trustee Fisher seconded the motion. The motion passed without dissent.

Discussions included possible increases in the Fed Funds rate, the health of the commercial real estate market, the level of the federal debt, and the Idaho economy.

Director Drum spoke briefly of the current contribution rate adjustment scheduled to take effect July 1, 2024. The Board chose to leave previously approved contributions rate adjustments in place with no changes.

PORTFOLIO

Chairman Cilek invited local investment managers in attendance to provide comments. PERSI Board heard comments from Mountain Pacific Investment Advisers, DB Fitzpatrick, Callan, Clearwater Advisers, and J.P Morgan Asset Management. Discussions included federal rate increases, commercial real estate market, borrowed debt and the Idaho economy.

FISCAL

Fiscal Update/Travel/Expense Report

Chief Financial Officer, Alex Simpson, provided monthly fiscal reports. No travel reports were available at this time.

BOARD

Agenda Review

The Board discussed the Board Meeting agenda draft for the October Investment Manager presentations. Chief Financial Officer, Alex Simpson, will attend part of the meeting. Portfolio will continue to work out the final timeframes for presentations and will provide an agenda to the Board for review.

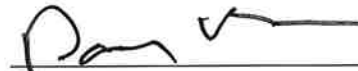
2024 Board Meeting Calendar Review

The Board reviewed the proposed 2024 Board Meeting dates. After discussion, the Board stated there are no scheduling conflicts regarding the dates for next year's Board meetings.

Executive Session

No executive session was held.

Adjournment: There being no further business to come before the Board, the meeting adjourned at 10:01 a.m.


Don Drum
Executive Director


Date


Jeff Cilek
Chairman


Date