



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

RETIREMENT BOARD MEETING MINUTES

The Board of the Public Employee Retirement System of Idaho met in-person at 8:30 a.m., April 30, 2024. The following Trustees were present:

Jeff Cilek  
Joy Fisher  
Park Price  
Darin DeAngeli  
Lori Wolff

Executive Director Michael Hampton, Deputy Director Alex Simpson, General Counsel Cheryl George, Chief Investment Officer Richelle Sugiyama, Deputy Chief Investment Officer Chris Brechbuhler, and Management Assistant Eliza Storms were also in attendance.

At 8:34 a.m., Chairman Cilek called the meeting to order.

Approval of the Board Meeting Minutes

Trustee Fisher moved to approve the minutes of the March 19<sup>th</sup> Board meeting. Trustee Price seconded the motion. The motion passed unanimously.

PORTFOLIO

Monthly Portfolio Update

Chief Investment Officer Richelle Sugiyama presented the investment report as of April 29, 2024. As of April 29<sup>th</sup>, the Total Fund had a FYTD return of 6.7%, which trails the 55/15/30 broad policy benchmark primarily due to the rally in US equity markets. Ms. Sugiyama discussed the FYTD returns by managers, highlighting Donald Smith and Brandes as having a great run on both an absolute and relative basis. She also highlighted the FYTD benchmark returns against which the various asset classes can be compared.

Deputy Chief Investment Officer Chris Brechbuhler updated the Board on the completion of transitions last week, highlighting the new managers in the performance report. He explained the remaining step (phase three), with emerging markets, has yet to be completed.

Chief Investment Officer Sugiyama continued with a summary of the long-term performance of the Fund and the cash allocations.

GOVERNANCE

Investment Policy Statement Adoption

The review and adoption of the Investment Policy Statement for the Unused Sick Leave Funds was deferred to a later Board meeting.

## OPERATIONS AND ADMINISTRATION

### Deputy Director Announcement

Director Hampton introduced Alex Simpson as the new Deputy Director. Mr. Simpson has served as the Chief Financial Officer with PERSI for the last eight years.

Deputy Simpson stated he was excited to be chosen as Deputy Director and is looking forward to serving PERSI members, employers, and staff.

The search for a new Chief Financial Officer will begin soon.

### External Engagement / Review and Planning

Director Hampton gave the Board an update on his meetings with Retired Educators Association chapters. A consistent concern for the retirees was the security of their benefit. This concern provided an opportunity to educate retirees on how PERSI is formed by statute and only legislative action can amend the statutes.

Chairman Cilek asked about the benefit and the possibilities of changes, such as during deflation, which could impact the benefit. Director Hampton explained that in statute, the benefit cannot be reduced below its initial amount. Trustee Price stated it was likely the retiree's wanted reassurance that their benefit will remain and if active members had similar concerns. Director Hampton indicated active members are currently concerned with what class they are in and their contribution rates. PERSI's goal is to educate active members by providing weekly onboarding sessions.

Director Hampton discussed items that will impact the PERSI communication and education plan for the remainder of the year. Various factors will inform us on how we move forward with communication and education.

### Legislative Update

Director Hampton provided an overview of the final 2024 Legislative Update. He discussed three bills that are not PERSI specific but may have implications to PERSI operations; H626 Administrative Procedure, Scope of Review, H691 State Government, Notice of Intent, and H746 Judicial Compensation.

### Postretirement Allowance Adjustment

Director Hampton provided a historical background of the postretirement allowance adjustment that was amended in March 1979 and became effective January 1980. Since 1980 the postretirement adjustment allowance statute has been consistent with minimal change, mostly technical in nature. He provided a summary of PERSI's retroactive allowance adjustments made back to 1989 and in what years retroactive adjustments were exhausted.

## FISCAL

### Fiscal Update/Travel/Expense Report/Quarterly Financial Statements

Deputy Director, Alex Simpson provided the Board with an update on expense reports and financial statements stating the budget is running favorably.

He provided an update on appropriated run rate versus actual expenses for both Portfolio and Administration showing personnel, operating, and capital categories.

Deputy Simpson provided an overview and breakdown of the appropriations maintenance bill (H459) and the appropriations enhancement bill (S1409).

