



PUBLIC EMPLOYEE RETIREMENT SYSTEMS OF IDAHO
607 North 8th 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., May 29, 2024. The following Trustees and PERSI Staff were present:

Jeff Cilek – Chairman
Joy Fisher – Vice Chair
Park Price – Trustee
Darin DeAngeli – Trustee
Lori Wolff – Trustee
Michael Hampton - Executive Director
Alex Simpson - Deputy Director
Cheryl George - General Counsel
Richelle Sugiyama - Chief Investment Officer
Chris Brechbuhler - Deputy Chief Investment Officer
Eliza Storms - Management Assistant

Presenters in attendance in-person were:

Ann O'Bradovich - Callan
Eric Mueller – IR+M
Bill O'Neill – IR+M
Robert Schmidt – Milliman
Ryan Cook – Milliman

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

APPROVAL OF THE BOARD MEETING MINUTES

Trustee Fisher moved to approve the minutes of the April 29th and April 30th Board meetings. Trustee Wolff seconded the motion. The motion passed unanimously.

PORTFOLIO

Ann O'Bradovich with Callan presented the 1st Quarter 2024 Performance Evaluation, which included an overview of capital markets and performance updates for the DB, DC, and Sick Leave Funds.

Monthly Portfolio Update

Chief Investment Officer Richelle Sugiyama presented the investment report as of May 21st and May 28th. As of May 28, 2024, the Total Fund had a FYTD return of 8.7% and a five-year return of 8.1%. She discussed the performance of the fund and acknowledged the outperformance of Donald Smith and Brandes. Deputy Chief Investment Officer Chris Brechbuhler provided an update and overview of the investment manager transitions.

Trustee Price requested a breakdown of the US/Global equity allocation. Ms. Sugiyama noted the information is included on the summary pages for shorter time periods and assured the inclusion of longer periods in future reports.

In honor of Trustee Fisher's 15 years of service on the PERSI Board, Ms. Sugiyama provided fund facts since Trustee Fisher's August 13, 2009, appointment to the Board, including the August 17, 2009, investment report. Ms. Sugiyama acknowledged Trustee Fisher's dedication and commitment to PERSI and expressed her thanks and appreciation to Trustee Fisher for her service.

Investment Manager Market Overview

Eric Mueller with IR+M provided an overview of the firm, including their team and market strategies.

Bill O'Neill with IR+M discussed their strategy, investment process, market outlook, portfolio characteristics, and performance.

Chairman Cilek expressed his appreciation for their partnership.

GOVERNANCE

Statement of Investment Policy for Unused Sick Leave Fund

Chief Investment Officer Richelle Sugiyama presented the Statement of Investment Policy for the Unused Sick Leave Funds for Board review and adoption. Trustee Fisher expressed concerns about the programs and responsibilities necessitating the revisions. After discussion, Trustee Price motioned to approve and adopt the Statement of Investment Policy for the Unused Sick Leave Fund as revised. Trustee DeAngeli seconded the motion. The motion passed with four ayes and one nay. Trustee DeAngeli advised that the Board's decision reflects the adoption of the policy and that the signature page is unnecessary.

OPERATIONS AND ADMINISTRATION

Administrative and Operations Update

Director Hampton updated the Board on the May primary elections. PERSI staff will continue to monitor committee assignments and new legislators. In addition, he informed the Board the Legislative Showcase is planned for late November and will keep the Board updated.

Director Hampton discussed the upcoming contribution rates taking effect on July 1, 2024. He also provided the Board with a few scenarios for future possible contribution rate modifications for their consideration. Trustee Fisher and Trustee DeAngeli requested an update on the use of a grace period as well as the tracking of previously used grace periods. PERSI staff will follow up.

Director Hampton gave a review of the national public pension plan investment return assumptions. He informed the Board on how PERSI compared to other public pension funds. He reminded the Board of the upcoming experience study for the base plan in 2025.

Legislative Ideas and Rules

Director Hampton explained PERSI did not currently have any planned legislation. He provided the deadlines to submit legislative ideas and legislation drafts. After discussion, the Board requested that staff work on ideas regarding covering the cost of the withdrawal penalty for employers withdrawing from PERSI. If any of the ideas require legislation, PERSI staff will prepare a draft and present it to the Board for its review and approval.

Judge's Retirement Fund Experience Study

Robert Schmidt with Milliman presented the Judges' Retirement Fund (JRF) 2024 Experience Study Draft results.

Ryan Cook with Milliman provided an overview of members' actual experience versus assumed experience. He provided a summary of proposed changes and the impact those changes would have on funded ratio and normal cost. Trustee DeAngeli moved to accept the JRF Experience Study

and recommended demographic assumption changes as presented. Trustee Fisher seconded the motion, which passed unanimously.

FISCAL

Fiscal Update/Travel/Expense Report Update

Deputy Director, Alex Simpson provided fiscal reports, charts, and updates on quarterly financials. He stated all are running favorably.

Chief Financial Officer Search Update

Deputy Director, Alex Simpson informed the Board that Mike Anderson was selected as the new Chief Financial Officer. Mr. Anderson has served as Portfolio Accounting Manager for the last five years.

GOVERNOR BRAD LITTLE

Governor Brad Little joined the Board meeting to honor and thank Trustee Fisher for all her years of public service to the State of Idaho and congratulate her on her retirement from the Board.

BOARD

Future Agendas

After review and discussion, the Board proposed the possibility of adding proposed legislation to the July agenda and further reviewing future meeting dates due to conflicts in schedules. PERSI staff will follow up.

EXECUTIVE SESSION

No executive session was held.

Adjournment: There being no further business to come before the Board, the meeting adjourned at 12:00 pm.

Approved: July 16, 2024