

**MINUTES OF THE  
ADMINISTRATIVE BOARD MEETING  
May 14, 2020, 3:00 p.m.  
Via Video Conference**

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**Participated via Video Conference:**

Mr. Ryan Hessenthaler, Board President  
Mr. David Damschen, Board Vice President  
Mr. Roger Donohoe, Board Member  
Mr. Richard Ellis, Board Member  
Mr. Larry Evans, Board Member  
Ms. Laura Houston, Board Member  
Mr. Bill Wallace, Board Member

**Excused:**

**Staff Participated via Video Conference:**

Mr. Dan Andersen, Executive Director  
Mr. Rob Dolphin, Chief Finance Officer  
Mr. Dee Larsen, General Counsel  
Mr. Chet Loftis, PEHP Director  
Ms. LuAnn Miskin, Administrative Assistant  
Mr. Todd Rupp, Deputy Executive Director  
Mr. Craig Stone, Defined Contributions Savings Plan Director  
Mr. Steve West, Internal Audit Director

**Guests:**

**Call to Order**

President Ryan Hessenthaler called the meeting to order at 3:02 p.m. and welcomed Board members and staff.

**Approval of Minutes**

**ACTION:** Mr. Bill Wallace moved, seconded by Mr. Richard Ellis, to approve the minutes of the April 9, 2020, Administrative Board Meeting. The motion passed unanimously, 5-0. Mr. Larry Evans and Mr. David Damschen were absent for this vote.

**ACTION:** Mr. Roger Donohoe moved, seconded by Ms. Laura Houston, to approve the minutes of the April 16, 2020, Investment Board Meeting. The motion passed unanimously, 5-0. Mr. Larry Evans and Mr. David Damschen were absent for this vote.

**Operational Update**

Mr. Dan Andersen gave an Operational Update. McLean & Company sent out the URS Pandemic Engagement Pulse Survey a few weeks ago and the results were very positive and

showed that 83.8% of employees were fully engaged and only 3% were disengaged. This reflects well on our entire workforce and demonstrates employees across the organization are stepping up to deal with these unusual circumstances.

Operations across the organization continue to function well. Retirement applications are being taken, retirement benefit payments are being made, and insurance claims are being paid.

We are not going to be rushing back into the office for several weeks. There is no need from the business side or the client side. We are working on maintaining good communication with employees and managing employees remotely and what is expected from them. We will be doing management training to help with that. We are also working on a return to work plan.

### **Higher Education Risk Pools**

Mr. Dee Larsen reported on the latest review of Higher Education employers' retirement participation policies and practices which determined that Bridgerland Technical College has a retirement participation profile that is appropriate for reassignment to the new Higher Education risk pools. The URS Employer Services Department communicated with Bridgerland regarding this determination. Bridgerland elected to keep its policies that limit the participation of their new employees' retirement benefits with URS and understands and accepts that this will result in reassignment into Higher Education Risk Pools.

**ACTION:** Referring to page 20 of the Board Book, Mr. Roger Donohoe moved, seconded by Mr. Larry Evans, to approve that the Bridgerland Technical College shall be reassigned to the Higher Education Division, Funds 17 and 18, for their employees who are members of the Public Employees' Retirement Systems, beginning on and after January 1, 2020.

Also moved that staff and the consulting actuary are directed to ensure that employees of the Bridgerland Technical College will continue to earn benefits in the Public Employees' Retirement Systems, but their liability, assets, contributions, and benefit payments will be moved to and separately tracked in the Higher Education risk pools.

Finally, moved that staff communicate with the Bridgerland Technical College to ensure as smooth of a transition as possible into its new risk pools. The motion passed unanimously, 6-0. Mr. David Damschen was absent for this vote.

### **Savings Plans – Coronavirus Related Loan Relief**

Mr. Craig Stone reviewed the proposed optional loan relief changes for the Defined Contribution Savings Plans Department's 401(k) and 457 plans based on recent federal legislation. Staff is recommending the adoption for the following changes:

1. Allowing qualified individuals, as defined by the CARES Act, to defer some or all payments of a loan due during the period from enactment of the Act, March 27, 2020, through December 31, 2020.

2. Loan interest will continue to accrue at the same rate as the original loan.
3. Deferring payments will extend the term of the original loan by the time period corresponding to the number of delayed payments.
4. The loan shall be re-amortized, and the loan payments will resume at the increased re-amortized amount by April 2021, and in accordance with IRS rules and guidance.

Staff is not proposing the optional plan change provision to increase the maximum loan amount available to qualified individuals up to the lesser of (1) \$100,000 (minus outstanding plan loans of the individual); or (2) the individual's vested benefit under the plan. Staff recommends that the Savings Plans keep the current loan limit, which is the lesser of 50% of the vested balance or \$50,000.

**ACTION:** Referring to page 25 of the Board Book, Ms. Laura Houston moved, seconded by Mr. Richard Ellis, that the Utah State Retirement Board officially adopt the proposed optional plan changes for the Defined Contribution Savings Plans to be administered in accordance with the terms and conditions provided in the document titled, "Savings Plans – Coronavirus Related Loan Relief."

And further moved to direct Staff to implement and administer the plan changes immediately and provide the Board with associated plan document amendments for approval by the end of the current plan year. The motion passed unanimously, 7-0.

### **URS/PEHP Employee Medical/Rx and Dental Insurance Budget 2020-2021**

Mr. Rob Dolphin reviewed the URS/PEHP Employee Medical/Rx and Dental Insurance Budget for 2020-2021. The Medical/Rx will have an overall increase of 4.53%. Dental is unchanged.

**ACTION:** Mr. David Damschen moved, seconded by Mr. Roger Donohoe, to increase the budget for the URS/PEHP Employee Medical/Rx insurance premiums by 4.53% for the fiscal year July 1, 2020 to June 30, 2021. The motion passed unanimously, 7-0.

### **Comprehensive Annual Financial Report (CAFR)**

Mr. Rob Dolphin reviewed the 2019 Comprehensive Annual Financial Report (CAFR), including:

- System Highlights
- Financial Results
- Net Pension Liability, Actuarial Value of Assets, and Returns
- Demographic Information

### **PEHP Financial Report**

Mr. Rob Dolphin reviewed the 2019 PEHP Financial Report, including:

- Program Highlights

- Premium, Claims, Membership and Plan Ending Results

At 4:40 p.m., Mr. Bill Wallace moved, seconded by Ms. Laura Houston, to move into Closed Session to discuss confidential financial information. The motion passed unanimously, 7-0.

At 4:45 p.m., Mr. Roger Donohoe moved, seconded by Mr. Richard Ellis, to move back into Open Session. The motion passed unanimously, 7-0.

### **Adjournment**

Mr. Richard Ellis moved, seconded by Mr. David Damschen, to adjourn the meeting. The motion passed unanimously, 7-0.

The meeting adjourned at 4:51 p.m.

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Ryan Hessenthaler, President

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Daniel D. Andersen, Executive Director