

**MINUTES OF THE
UTAH STATE RETIREMENT BOARD
ADMINISTRATIVE BOARD MEETING
February 10, 2022, 3:50 p.m.**

Virtual Meeting

Board Members Attending in Person:

Mr. Richard Ellis, Board President
Mr. Marlo Oaks, Board Member

Board Members Attending Virtually:

Mr. Roger Donohoe, Board Member
Ms. Laura Houston, Board Member
Mr. Karl Wilson, Board Member

Excused:

Mr. Larry Evans, Board Vice President
Mr. Ryan Hessenthaler, Board Member

Staff Attending in Person:

Mr. Dan Andersen, Executive Director
Mr. Mark Cain, Deputy Executive Director
Ms. LuAnn Miskin, Executive Assistant

Staff Attending Virtually:

Mr. Rob Dolphin, Chief Financial Officer
Mr. Dee Larsen, General Counsel

Call to Order

President Richard Ellis called the meeting to order at 3:57 p.m. and welcomed Board members and staff.

Approval of Minutes

ACTION: Mr. Roger Donohoe moved, seconded by Ms. Laura Houston, to approve the minutes of the January 13, 2022, Administrative Board Meeting. The motion passed unanimously, 5-0.

ACTION: Mr. Marlo Oaks moved, seconded by Mr. Karl Wilson, to approve the minutes of the January 20, 2022, Investment Board Meeting. The motion passed unanimously, 5-0.

URS Self Insurance Reserve

Mr. Rob Dolphin provided background and purpose of the URS Self Insurance Reserve. He reported that URS engaged risk management consultants to evaluate the adequacy of the

current Reserve based upon current risk exposure to URS in the marketplace. The following items were reviewed:

- Summary of Self Insurance Reserve
- Engaged Insurance Broker and Consultant
- Summary of Executive Risk Coverage
- Establishment of Real Asset Self Insurance Reserve
- Bifurcate the Self Insurance Reserve
- Board Resolution #2022-01 Self Insurance Reserves

ACTION: Ms. Laura Houston moved, seconded by Mr. Karl Wilson, to approve Board Resolution 2022-01 Self Insurance Reserves. The motion passed unanimously, 5-0.

ACTION: Mr. Roger Donohoe moved, as outlined on page 21 of the board book, seconded by Mr. Karl Wilson, that the following structural changes to the Self Insurance Reserve include the following:

1. The \$5 million in the current Self Insurance Reserve, plus the 2021 investment earnings on that reserve, shall be equally divided into two separate reserves:
 - Executive Risk Reserve; and
 - Real Assets Reserve.
2. The Board establishes the following funding ranges for each of the Self Insurance Reserves:
 - Executive Risk: \$5 million to \$9 million; and
 - Real Assets: \$5 million to \$10 million.
3. During the transition period from now until the Reserves reach the approved maximum funding, the Board specifically further authorizes:
 - The temporary funding of the Self Insurance Reserves below the approved funding minimums;
 - The funding of the Self Insurance Reserves from investment income systematically over time and not by creating additional budget funding requirement for each reserve (except that amounts paid on claims may need to be replaced); and
 - The Executive Director to have the discretion to transfer and use monies between the funds to pay a claim or liability from the appropriate Self Insurance Reserve.

The motion passed unanimously, 5-0.

Salt Lake City Medical Premium Holiday

Mr. Rob Dolphin reviewed the Salt Lake City Medical Premium Holiday request.

ACTION: Mr. Karl Wilson moved, seconded by Mr. Roger Donohoe, to approve Salt Lake City Medical Premium Holiday as discussed. The motion passed unanimously, 5-0.

Budget Review

Mr. Rob Dolphin reviewed the mid-year budget for FY 2022, including the following items:

- Budget Hierarchy
- Adopted Budget Practices
- PEHP Consolidated Budget
- PEHP Data Software Project Budget and Expenses
- PEHP Program Admin Reserve
- URS DC Consolidated Budget
- URS DC Savings Program
- Savings Program Admin Reserve
- Savings Program Reserve
- URS DB Only Consolidated Budget
- Investments Consolidated Budget
- URS/PEHP Combined Budgets and Actuals
- URS/PEHP Consolidated Budget
- FTE Budget Salaries and Benefits
- 2021 FTEs Budgeted Combined URS/PEHP
- AUREUS Budget and Expenses
- URS/PEHP Final Takeaways

ACTION: Mr. Karl Wilson moved, seconded by Mr. Roger Donohoe, to amend the FY2022 budget by increasing the investment and security handling budget by \$10 million. The motion passed unanimously, 5-0.

Strategic Plan Update

Mr. Dan Andersen reviewed with the Board the planned changes to the URS/PEHP Strategic Plan design which will incorporate the enterprise risk management plan.

Legislative Update

Mr. Dee Larsen gave an update of the 2022 legislative session. A list of “2022 General Session: Summary of Selected URS-related Bills” was provided in the Board Meeting materials.

At 5:03 p.m., Mr. Marlo Oaks moved, seconded by Ms. Laura Houston, to move into Closed Session to discuss confidential pending legal matters. The motion passed unanimously, 5-0.

At 5:06 p.m., Mr. Marlo Oaks moved, seconded by Mr. Karl Wilson, to move back into Open Session. The motion passed unanimously, 5-0.

Final Motions/Other Business

Stipulated Order of Voluntary Dismissal 19-36H

ACTION: Mr. Roger Donohoe moved, seconded by Ms. Laura Houston, to approve the Stipulated Order of Voluntary Dismissal 19-36H as submitted by the Adjudicative Hearing Officer. The motion passed unanimously, 5-0.

Stipulated Order of Voluntary Dismissal 19-13D

ACTION: Mr. Karl Wilson moved, seconded by Mr. Marlo Oaks, to approve the Stipulated Order of Voluntary Dismissal 19-13D as submitted by the Adjudicative Hearing Officer. The motion passed unanimously, 5-0.

Stipulated Order of Voluntary Dismissal 20-11S

ACTION: Mr. Roger Donohoe moved, seconded by Mr. Karl Wilson, to approve the Stipulated Order of Voluntary Dismissal 20-11S as submitted by the Adjudicative Hearing Officer. The motion passed unanimously, 5-0.

At 5:08 p.m., Ms. Laura Houston moved, seconded by Mr. Roger Donohoe, to move into Executive Session to discuss fiduciary matters. The motion passed unanimously, 5-0.

Executive Session

The following were present:

- Board Members Present
- Dan Andersen

Mr. Marlo Oaks moved, seconded by Mr. Karl Wilson, to move back into Open Session. The motion passed unanimously, 5-0. The meeting resumed at 5:15 p.m.

Adjournment

Mr. Roger Donohoe moved, seconded by Mr. Karl Wilson, to adjourn the meeting. The motion passed unanimously, 5-0.

The meeting adjourned at 5:15 p.m.

Richard K. Ellis, President

Daniel D. Andersen, Executive Director