

**MINUTES OF THE
UTAH STATE MEMBERSHIP COUNCIL MEETING
September 13, 2021, 12:00 Noon
Via Video Conference**

Participating via Video Conferencing:

Mr. Marty Peterson, Chairman, Professional Firefighters of Utah
Ms. Sheri Nelson, Vice Chairman, Utah Public Employees' Association
Ms. Amy Ehresman, Utah School Employees' Association
Sr. Trooper Arlow Hancock, Utah Peace Officers' Association
Mr. Mike Harman, Utah Education Association
Mr. Tyler Jensen, Utah Education Association
Mr. Dan Jessen, Utah Association of Counties
Mr. Larry Millward, Utah Retired School Employees' Association
Mr. Zane Woolstenhulme, Utah Association of School Business Officials

Excused: Mr. LeGrand Bitter, Utah Association of Special Service Districts
Mr. Jamie Davidson, Utah League of Cities & Towns
Ms. Taylee Foulger, Utah Public Employees' Association
Mr. Brad Hardesty, Utah Association of Retired Public Employees
Ms. Michele Jones, Utah Education Association
Judge Kara Pettit, Utah Judicial Council

Staff Participating via Video Conferencing:

Mr. Ryan Ashcraft, Retirement Planning Director
Mr. Mark Cain, Retirement Benefits Director
Mr. Kory Cox, URS Association and Stakeholder Liaison
Mr. Rob Dolphin, Chief Financial Officer
Ms. Liza Eves, Associate General Counsel
Mr. James Hammer, Employer Services Director
Mr. Dee Larsen, General Counsel
Ms. LuAnn Miskin, Executive Assistant
Ms. Stacey Nielsen, Retirement Benefits Director
Mr. Craige Stone, Defined Contribution Director

Guests:

Welcome

Chairman Marty Peterson called the meeting to order at 12:04 p.m. and welcomed Council members and staff. Introductions were made.

Approval of Minutes

Chairman Marty Peterson asked for approval of the April 30, 2021, Membership Council Spring Workshop minutes.

ACTION: Mr. Larry Millward moved, seconded by Mr. Tyler Jensen, to approve the minutes of the April 30, 2021, Membership Council Spring Workshop. The motion passed unanimously.

Report from Member Organizations

Chairman Marty Peterson asked the Council members for a report from their organizations or employers. He stated that the Firefighters just had their annual meeting and they do not have any proposed legislation as a group this year. He reported that about 33% of all firefighters in the state have tested positive for COVID but so far, no fire stations have had to close due to COVID.

Sr. Trooper Arlow Hancock asked Mr. Kory Cox to ask a question for him regarding the 10% annual salary increase limitation when calculating retirement benefits. Public Safety may have some substantial salary increases this year. Ms. Stacey Nielsen explained that the percentage increase in annual compensation in any one of the years used to calculate a retirement benefit may not exceed the previous year's compensation by more than 10% plus a cost-of-living adjustment, unless the increase is due to a promotion or transfer from another agency.

Mr. Mike Harman reported that not all educators are getting vaccinated.

Mr. Tyler Jensen asked about how S.B. 153 from the 2021 general legislative session. Mr. Dee Larsen will address this question in his report. He reported that there is a massive shortage of substitute teachers.

Mr. Larry Millward stated that he had nothing to report.

Mr. Zane Woolstenhulme stated that he had nothing to report.

2022 Legislation Preview

Mr. Dee Larsen stated that S.B.153 Utah Personal Exemption Amendments tax credit bill does not affect URS.

He reported that tomorrow is the first Retirement and Independent Entities Interim Committee meeting. The agenda includes the following topics:

- Draft Legislation: Concurrent Resolution Authorizing State Pick Up of Public Safety and Firefighter Employee Retirement Contributions, Sen. Wayne Harper
 - This draft legislation considers increasing the employer pick up of certain employee contributions required for state employees who are eligible for and participate as members of the Tier 2 Public Safety and Firefighter Contributory Retirement System.
- Impact of Changing Life Expectancies for URS

- This URS presentation will give data sources for life expectancy, recent trends, and how these trends affect the state's retirement system.
- There is a possibility that in the near future all State Tier 2 employees will be pushed into paying for their benefits over the 10% mandated employer contribution.
- **Draft Legislation: Postretirement Reemployment Amendments, Rep. Kera Birkeland**
 - This draft legislation would modify the postretirement reemployment restrictions for a retiree who was a public safety service employee or a classroom teacher.
 - Since Tier 2 Public Safety and Firefighters are in the same system, Firefighters would potentially be paying for the increased Public Safety benefit without receiving their own benefit.

The annual URS Bill will be presented to the Membership Council next month.

Election of Officers

Chairman Marty Petersen opened the floor for nominations for election of officers.

At the April 30, 2021 Spring Workshop, Ms. Sheri Nelson was nominated and seconded as Chairman and Mr. Jamie Davidson was nominated and seconded as Vice Chairman.

Mr. Larry Millward moved, seconded by Mr. Zane Woolstenhulme, that Vice Chairman Sheri Nelson be appointed Chairman by acclamation. The motion passed by acclamation.

Mr. Zane Woolstenhulme moved, seconded by Mr. Larry Millward, that Mr. Jamie Davidson be appointed Vice Chairman by acclamation. The motion passed by acclamation.

Chairman Marty Peterson moved, seconded by Vice Chairman Sheri Nelson that the existing Executive Committee members be reappointed. Mr. Zane Woolstenhulme, Ms. Amy Ehresman, and Mr. Larry Millward indicated that they are willing to continue to serve on the Executive Committee. The motion passed by acclamation.

The Executive Committee consists of Chairman Sheri Nelson, Vice Chairman Jamie Davidson, Mr. Zane Woolstenhulme, Ms. Amy Ehresman, and Mr. Larry Millward.

Contribution Rates for July 1, 2022 to June 30, 2023

Mr. Kory Cox reviewed the preliminary 2022-2023 contribution rates. The Board approved a reduction in the assumed rate of return from 6.95% to 6.85%. The Tier 2 Public Employees' Defined Benefit employer contribution rate will increase from 9.38% to 9.82% which only leaves a 0.18% contribution to the employees' 401(k) account in the Hybrid plan. The next review may push the contribution rate over the employer mandated 10% requiring employees to contribute to their retirement benefits. The next experience study will be in two years.

A summary of the Contribution Rate Management Plan that was approved by the Board a few years ago was reviewed. This plan will be implemented in the 2023 fiscal year which will include small contribution rate decreases in certain funds that become more fully funded, as follows:

- Tier 1 Local Government System (Funds 11 and 15) decrease 0.50%
- Tier 1 Public Safety and Firefighters Systems (Funds 74, 76, 31, and 23) decrease 1%

Increases include:

- Tier 1 Judges System increase 0.38%
- Tier 2 Public Safety and Firefighters System (Funds 122 and 132) increase 0.32% (employee contribution)

Other Business

None.

Adjournment

ACTION: Mr. Larry Millward moved to adjourn. The motion passed unanimously.

The meeting adjourned at 1:26 p.m.

The next Membership Council Meeting will be held virtually on October 4, 2021, at 12 noon.