

**MINUTES OF THE  
ADMINISTRATIVE/INVESTMENT BOARD MEETING  
December 18, 2014—3:00 p.m.—Utah Retirement Office**

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**Present:** Mr. Richard Ellis, Board President  
Mr. Ed Alter, Board Member  
Mr. Scott Berryessa, Board Member  
Ms. Kathy Jones-Price, Board Member  
Ms. Laura Houston, Board Member  
Ms. Sheri Nelson, Board Vice-President  
Mr. Bill Wallace, Board Member

**Excused:**

**Staff:** Mr. Ed Archer, Chief Compliance Officer  
Mr. Steve Baker, Healthcare Services Director  
Mr. Dave Bjarnason, Sr. Compliance Officer, Investments  
Mr. Bruce Cundick, Chief Investment Officer  
Mr. Rich Eggett, Portfolio Manager, Investments  
Mr. Kim Kellersberger, Finance Director  
Ms. LuAnn Miskin, Administrative Assistant  
Mr. Jason Morrow, Portfolio Manager, Investments  
Mr. Joel Sheppard, Marketing Director  
Mr. Craige Stone, Defined Contribution Director

**Legal Counsel:** Mr. Dave Hansen  
Mr. Dee Larsen

**Guests:**

**Call to Order and Approval of Minutes**

President Richard Ellis called the meeting to order at 3:00 p.m. and welcomed Board members and staff.

**ACTION:** Ms. Laura Houston moved, seconded by Mr. Scott Berryessa, to approve the minutes of the November 13, 2014, Administrative/Investment Board Meeting. The motion passed unanimously.

**ACTION:** Ms. Kathy Jones-Price moved, seconded by Mr. Bill Wallace, to approve the minutes of the November 18, 2014, Audit/Budget Committee Meeting. The motion passed unanimously.

**Approval of Internal Audit Charter Revisions**

Mr. Dan Andersen reviewed the proposed revisions of the Internal Audit Charter.

**ACTION:** Mr. Ed Alter moved, seconded by Mr. Scott Berryessa, to approve the changes to the Internal Audit Charter as discussed in the November 18, 2014 Audit/Budget Committee Meeting. The motion passed unanimously.

#### **Resolution 2014-02 Death Benefit for Qualifying Military Service**

Mr. Dee Larsen reviewed Resolution 2014-02 Death Benefit for Qualifying Military Service.

**ACTION:** Ms. Sheri Nelson moved seconded by Ms. Laura Houston, to approve Resolution 2014-02 Death Benefit for Qualifying Military Service. The motion passed unanimously.

At 3:05 p.m., Mr. Bill Wallace moved, seconded by Ms. Kathy Jones-Price, to move into Closed Session to discuss confidential and fiduciary matters. The motion passed unanimously.

Ms. Sheri Nelson moved, seconded by Mr. Scott Berryessa, to move back into Open session. The motion passed unanimously. The Open session resumed at 4:39 p.m.

#### **Order of Dismissal 14-18H**

**ACTION:** Ms. Laura Houston moved, seconded by Mr. Bill Wallace, to approve the Order of Dismissal 14-18H as submitted by the Adjudicative Hearing Officer. The motion passed unanimously.

#### **Default Judgment on Notice of Board Action 14-22S**

**ACTION:** Ms. Kathy Jones-Price moved, seconded by Ms. Sheri Nelson, to approve the Default Judgment on Notice of Board Action 14-22S as submitted by the Adjudicative Hearing Officer. The motion passed unanimously.

#### **Order for Dismissal 12-18D**

**ACTION:** Mr. Bill Wallace moved, seconded by Ms. Kathy Jones-Price, approve the Order for Dismissal 12-18D as submitted by the Adjudicative Hearing Officer. The motion passed unanimously.

### **Findings of Fact, Conclusion of Law, and Order 13-27H**

**ACTION:** Mr. Scott Berryessa moved, seconded by Ms. Laura Houston, to approve the Findings of Fact, Conclusions of Law, and Order 13-27H as submitted by the Adjudicative Hearing Officer. The motion passed unanimously.

### **Order for Dismissal 13-22D**

**ACTION:** Ms. Sheri Nelson moved, seconded by Mr. Scott Berryessa, to approve the Order for Dismissal 13-22D as submitted by the Adjudicative Hearing Officer. The motion passed unanimously.

### **Defined Contribution 457 Plan Document Amendments Approval**

**ACTION:** Ms. Laura Houston moved, seconded by Ms. Kathy Jones-Price, to approve the amendments to the Defined Contribution 457 Plan Document. The motion passed unanimously.

### **Defined Contribution 401(k) Plan Document Amendments Approval**

**ACTION:** Ms. Kathy Jones-Price moved, seconded by Mr. Bill Wallace, to approve the amendments to the Defined Contribution 401(k) Plan Document. The motion passed unanimously.

### **Defined Contribution IPS Amendments for Tier 2 Non-vested Funds**

**ACTION:** Mr. Scott Berryessa moved, seconded by Ms. Sheri Nelson, to approve the Defined Contribution IPS Amendments for Tier 2 Non-vested Funds. The motion passed unanimously.

### **Defined Contribution Target Date Funds Asset Allocation Variance**

**ACTION:** Ms. Laura Houston moved, seconded by Ms. Kathy Jones-Price, to approve the Defined Contribution Target Date Funds Asset Allocation Variance as discussed. The motion passed unanimously.

### **Defined Benefit IPS Change for Soft Dollar and Directed Brokerage Policy**

**ACTION:** Mr. Bill Wallace moved, seconded by Mr. Scott Berryessa, to approve the Defined Benefit IPS Change for Soft Dollar and Directed Brokerage Policy. The motion passed unanimously.

### **Asset Allocation Report**

**ACTION:** Ms. Kathy Jones-Price moved, seconded by Mr. Bill Wallace, to accept the Asset Allocation Report as presented. The motion passed unanimously.

### **Additional FTE's for Investments**

**ACTION:** Mr. Scott Berryessa moved, seconded by Ms. Laura Houston, to approve the additional 7 FTE positions for Investments, 4 positions to be filled immediately and 3 positions to be warehoused. The motion passed unanimously.

### **Other Business**

Mr. Dan Andersen reported that the State Auditor recently requested a follow up to his 2013 Audit Report recommendation that URS lower the assumed investment rate of return. The URS response was that we are following statutory provisions and actuarial standards and that the assumed rate of return has not been lowered.

The current Legislative Audit is focusing on asset allocation and transparency. Mr. Andersen informed the board that the Legislative Auditors have hired Chris Tobe as a consultant to provide an opinion on URS' asset allocation.

### **Adjournment**

Ms. Sheri Nelson moved, seconded by Ms. Kathy Jones-Price, to adjourn the meeting. The motion passed unanimously.

The meeting adjourned at 4:50 p.m.

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Richard K. Ellis, Board President

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Daniel D. Andersen, Executive Director