

**MINUTES OF THE
ADMINISTRATIVE BOARD MEETING
August 11, 2016 – 3:00 p.m. – Utah Retirement Office**

- Present:** Ms. Sheri Nelson, Board President
Mr. Ed Alter, Board Member
Mr. Dave Damschen, Board Member
Mr. Roger Donohoe, Board Member
Mr. Ryan Hessenthaler, Board Member
- Excused:** Ms. Laura Houston, Board Member
Mr. Bill Wallace, Board Vice-President
- Staff:** Mr. Jeff Allen, Shared Services Director
Mr. Dan Andersen, Executive Director
Mr. Steve Baker, PEHP Operations Director
Mr. Kim Kellersberger, Finance Director
Ms. Jayne Knecht, Human Resources Director
Mr. Dee Larsen, General Counsel
Mr. Chet Loftis, PEHP Director
Ms. LuAnn Miskin, Administrative Assistant
Mr. Todd Rupp, Deputy Executive Director
Mr. Joel Sheppard, Marketing Director
- Guests:** Mr. Danny White, Gabriel Roeder Smith & Company
Mr. Lewis Ward, Gabriel Roeder Smith & Company

Call to Order and Approval of Minutes

President Sheri Nelson called the meeting to order at 3:00 p.m. and welcomed Board members, staff, and guests.

ACTION: Mr. Roger Donohoe moved, seconded by Mr. Ryan Hessenthaler, to approve the minutes of the June 9, 2016, Administrative Board Meeting. The motion passed unanimously.

ACTION: Mr. Ryan Hessenthaler moved, seconded by Mr. Ed Alter, to approve the minutes of the June 16, 2016, Investment Board Meeting. The motion passed unanimously.

New Employer Approval

Mr. Dan Andersen reviewed the application for the City of Bluffdale to participate in the Firefighters' Retirement System. He reported that all eligibility requirements have been met and recommended approval of the application.

ACTION: Mr. Roger Donohoe moved, seconded by Mr. Ed Alter, to approve Bluffdale City as a participating employer in the Firefighters' Retirement System. The motion passed unanimously.

Shared Services Division Strategic Plan Update

Mr. Jeff Allen provided an update on the Current Year Deliverables for the Shared Services Division.

GRS Actuarial Report

Mr. Danny White and Mr. Lewis Ward reviewed the Actuarial Valuation Report as of January 1, 2016, including the following topics:

- Actuarial Valuation
- Membership Experience
- Asset Experience
- Contribution Rates

Management and GRS recommended a reduction in the assumed rate of return of 30 basis points to 7.2%, with 15 basis points coming from the real rate of return and 15 basis points coming from the inflation assumption, keeping the 20-year amortization period. Discussion followed.

ACTION: Mr. Roger Donohoe moved, seconded by Mr. Ed Alter, to accept Alternative 1 of Exhibit 1 in the Board meeting materials and the underlying assumptions as contained in the Utah Retirement Systems Actuarial Valuation Report as of January 1, 2016. The motion passed unanimously. Ms. Laura Houston and Mr. Bill Wallace in previous conversations with President Nelson indicated approval of Alternative 1 of Exhibit 1.

ACTION: Mr. Ed Alter moved, seconded by Mr. Roger Donohoe, to approve the proposed contribution rates as contained in Alternative 1 of Exhibit 1 in the Board meeting materials subject to legislation in the 2017 General Session. The motion passed unanimously. Ms. Laura Houston and Mr. Bill Wallace in previous conversations with President Nelson indicated approval of the proposed contribution rates contained in Alternative 1 of Exhibit 1.

At 4:38 p.m., Mr. Ryan Hessenthaler moved, seconded by Mr. Dave Damschen, to move into Closed Session for the purpose of discussing fiduciary and confidential matters. The motion passed unanimously.

Mr. Ryan Hessenthaler moved, seconded by Mr. Roger Donohoe, to move into Open Session. The motion passed unanimously. The meeting resumed at 5:08 p.m.

Order of Dismissal 15-11D

ACTION: Mr. Ryan Hessenthaler moved, seconded by Mr. Ed Alter, to approve the Order of Dismissal 15-11D as submitted by the Adjudicative Hearing Officer. The motion passed unanimously.

Order of Dismissal 14-14H

ACTION: Mr. Dave Damschen moved, seconded by Mr. Roger Hessenthaler, to approve the Order of Dismissal 14-14H as submitted by the Adjudicative Hearing Officer. The motion passed unanimously.

Default Judgment on Notice of Board Action 15-21S

ACTION: Mr. Ed Alter moved, seconded by Mr. Ryan Hessenthaler, to approve the Default Judgment on Notice of Board Action 15-21S as submitted by the Adjudicative Hearing Officer. The motion passed unanimously.

Order of Dismissal 15-18H

ACTION: Mr. Dave Damschen moved, seconded by Mr. Ryan Hessenthaler, to approve the Order of Dismissal 15-18H as submitted by the Adjudicative Hearing Officer. The motion passed unanimously.

Order of Dismissal 16-24H

ACTION: Mr. Roger Donohoe moved, seconded by Mr. Dave Damschen, to approve the Order of Dismissal 16-24H as submitted by the Adjudicative Hearing Officer. The motion passed unanimously.

PEHP Rate Renewals

ACTION: Mr. Dave Damschen moved, seconded by Mr. Ryan Hessenthaler, to ratify the Jordan School District Medical Program 0.00% Rate Hold. The motion passed unanimously.

ACTION: Mr. Roger Donohoe moved, seconded by Mr. Ed Alter, to ratify the Utah School Board Association (USBA) Medical/Rx 6.00% Increase. The motion passed unanimously.

Employee Compensation Package

ACTION: Mr. Roger Donohoe moved, seconded by Mr. Dave Damschen, to approve the Employee Compensation Package of 1.9% COLA and 1.0% Merit for a total increase of 2.9%. The motion passed unanimously.

Adjournment

Mr. Roger Donohoe moved, seconded by Mr. Ryan Hessenthaler, to adjourn the meeting. The motion passed unanimously.

The meeting adjourned at 5:13 p.m.

Sheri K. Nelson, President

Daniel D. Andersen, Executive Director