

**MINUTES OF THE
ADMINISTRATIVE BOARD MEETING
August 8, 2019 – 3:00 p.m. – Utah Retirement Office**

- Present:** Ms. Laura Houston, Board President
Mr. Ryan Hessenthaler, Board Vice-President
Mr. Ed Alter, Board Member
Mr. Roger Donohoe, Board Member
Mr. Bill Wallace, Board Member
- Excused:** Mr. David Damschen, Board Member
Ms. Sheri Nelson, Board Member
- Staff:** Mr. Dan Andersen, Executive Director
Mr. Bruce Cundick, Chief Investment Officer
Mr. Rob Dolphin, Chief Financial Officer
Mr. Dee Larsen, General Counsel
Ms. LuAnn Miskin, Executive Assistant
Mr. Jason Morrow, Deputy Chief Investment Officer
Mr. Todd Rupp, Deputy Executive Director
- Guests:** Mr. Marty Peterson, URS Membership Council Chairman, Professional Firefighters of Utah
Mr. Danny White, Gabriel Roeder Smith & Company
Mr. Lewis Ward, Gabriel Roeder Smith & Company

Call to Order and Approval of Minutes

President Laura Houston 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. Ed Alter, to approve the minutes of the June 13, 2019, Administrative Board Meeting. The motion passed unanimously, 5-0.

ACTION: Mr. Bill Wallace moved, seconded by Mr. Ryan Hessenthaler, to approve the minutes of the June 13, 2019, Investment Board Meeting. The motion passed unanimously, 5-0.

New Employer – Statewide Association of Public Attorneys of Utah (SWAP)

The application for SWAP to participate in the Public Employees' Retirement System was reviewed. All eligibility requirements have been met and approval of the application was recommended.

ACTION: Mr. Ryan Hessenthaler moved, seconded by Mr. Roger Donohoe, to approve the Statewide Association of Public Attorneys of Utah as a participating employer in the Public Employees' Retirement System. The motion passed unanimously, 5-0.

CEM Benchmarking DB Administrative Report Update

Mr. Rob Dolphin explained the changes to the CEM Benchmarking DB Administrative Report that was presented in the June 13, 2019, Administrative Board Meeting. The FTE costs for salary and benefits was reduced with the reclassification of the retirement benefit contribution rate amortization costs to “pay as you go for retired staff.”

Employee Compensation Package

Mr. Dan Andersen reviewed the Executive Team’s proposed salary increase for URS/PEHP employees for the 2019-2020 fiscal year consisting of a 2% COLA increase and a 1% merit increase. He also reviewed some other budget increases for the 2019-20 fiscal year relating to compensation adjustments.

ACTION: Mr. Roger Donohoe moved, seconded by Mr. Ed Alter, to approve the salary increase for the 2019-2020 fiscal year for URS/PEHP employees of 2% COLA and 1% merit and increase the corresponding budgets as proposed by Mr. Andersen. The motion passed unanimously, 5-0.

GRS Actuarial Report

Mr. Danny White and Mr. Lewis Ward reviewed the Actuarial Valuation Report as of January 1, 2019, including the following topics:

- 2019 Legislative Activity
- Membership Experience
- Asset Experience
- Funded Status
- Contribution Rates
- Contribution Rate Management Program
- Stress Testing

The Board discussed the impact of 2019 S.B. 129 on the Tier 2 rate for the Public Safety and Firefighters Hybrid System. The actuary recommended to adopt the preliminary rate at 16.27% rather than 16.00%, which would equal the projected future rate now instead of increasing the rate over the next two years due to the lag between dates of the Actuarial Valuation Report and the collection of the increased contributions.

ACTION: Mr. Bill Wallace moved, seconded by Mr. Ryan Hessenthaler, to accept the actuarial assumptions as contained in the Utah Retirement Systems Actuarial Valuation Report as of January 1, 2019. The motion passed unanimously, 5-0.

Contribution Rate Approval

ACTION: Mr. Ed Alter moved, seconded by Mr. Ryan Hessenthaler, to approve the proposed preliminary contribution rates for the 2020-2021 fiscal year as contained in Utah Retirement Systems Actuarial Valuation Report as of January 1, 2019, with the change in the Tier 2 rates for the Public Safety and Firefighters Hybrid System. The preliminary contribution rates are subject to legislation in the 2020 General Session. The motion passed unanimously, 5-0.

At 4:38 p.m., Mr. Ryan Hessenthaler moved, seconded by Mr. Bill Wallace, to move into Closed Session to discuss confidential pending legal matters. The motion passed unanimously, 5-0.

At 5:00 p.m., Mr. Bill Wallace moved, seconded by Mr. Roger Donohoe, to move back into Open Session. The motion passed unanimously, 5-0.

Final Motions

Findings of Fact, Conclusions of Law, and Order on Summary Judgment 18-02H

ACTION: Mr. Ryan Hessenthaler moved, seconded by Mr. Bill Wallace, to approve the Findings of Fact, Conclusions of Law, and Order on Summary Judgment 18-02H as submitted by the Adjudicative Hearing Officer. The motion passed unanimously, 5-0.

Findings of Undisputed Fact, Conclusions of Law, and Summary Judgment and Order 18-01R

ACTION: Mr. Roger Donohoe moved, seconded by Mr. Ed Alter, to approve the Findings of Undisputed Fact, Conclusions of Law, and Summary Judgment and Order 18-01R as submitted by the Adjudicative Hearing Officer. The motion passed unanimously, 5-0.

Adjournment

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

The meeting adjourned at 5:02 p.m.

Laura O. Houston, President

Daniel D. Andersen, Executive Director