

**MINUTES OF THE
ADMINISTRATIVE BOARD MEETING
August 9, 2018 – 3:00 p.m. – Utah Retirement Office**

Present: Mr. Roger Donohoe, Board President
Mr. Ed Alter, Board Member
Mr. Ryan Hessenthaler, Board Member
Ms. Laura Houston, Board Vice-President
Ms. Sheri Nelson, Board Member
Mr. Bill Wallace, Board Member

Excused: Mr. David Damschen, Board Member

Staff: Mr. Jeff Allen, Shared Services Director
Mr. Dan Andersen, Executive Director
Mr. Quinten Christensen, Analytics Manager and Associate Actuary
Mr. Rob Dolphin, 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

Guests: Mr. Danny White, Gabriel Roeder Smith & Company
Mr. Lewis Ward, Gabriel Roeder Smith & Company
Mr. Travis Dunn, Herriman City
Mr. Brett Wood, Herriman City

Call to Order and Approval of Minutes

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

ACTION: Mr. Ryan Hessenthaler moved, seconded by Mr. Ed Alter, to approve the minutes of the June 21, 2018, Administrative/Investment Board Meeting. The motion passed unanimously, 6-0.

New Employer – Herriman City Police Department

The application for Herriman City Police Department to participate in the Public Safety Retirement System was reviewed. All eligibility requirements have been met and approval of the application was recommended.

ACTION: Ms. Sheri Nelson moved, seconded by Mr. Bill Wallace, to approve Herriman City Police Department as a participating employer in the Public Employees' Retirement System. The motion passed unanimously, 6-0.

New Employer – Juab Special Service Fire District

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

ACTION: Ms. Laura Houston moved, seconded by Mr. Ryan Hessenthaler, to approve Juab Special Service Fire District as a participating employer in the Public Employees' Retirement System. The motion passed unanimously, 6-0.

Strategic Plan Update

Mr. Dan Andersen reviewed the process for updating the URS Strategic Plan this year. The 3-5 Year Goals and Current Year Deliverables for the 2018-2019 Strategic Plan have been updated for the Board's review and will be discussed in more detail at the Board Workshop in September.

FTE Requests

Mr. Todd Rupp reviewed the rationale and business need for three new full-time employees for the Retirement Division, two Retirement Planning Advisors and one Communications Specialist.

Mr. Dee Larsen reviewed the rationale and business need for one new Associate General Counsel full-time employee for the Legal Department.

ACTION: Mr. Ed Alter moved, seconded by Mr. Ryan Hessenthaler, to approve four new FTEs; three for the Retirement Division and one for the Legal Department including the associated budgets. The motion passed unanimously, 6-0.

Employee Compensation Package

Ms. Jayne Knecht reviewed the Executive Team's proposed salary increase for URS/PEHP employees for the 2018-2019 fiscal year consisting of a 2% COLA increase and a 1% merit increase.

ACTION: Mr. Bill Wallace moved, seconded by Ms. Laura Houston, to approve the salary increase for the 2018-2019 fiscal year for URS/PEHP employees of 2% COLA and 1% merit and increase the corresponding budget. The motion passed unanimously, 6-0.

PEHP Renewals

Mr. Quinten Christensen reviewed the PEHP rate holds for Jordan School District – Medical and Utah School Board Association – Medical/RX, which will be effective September 1, 2018, as follows:

He explained that PEHP does not underwrite either of these entities.

ACTION: Mr. Ryan Hessenthaler moved, seconded by Ms. Sheri Nelson, to ratify the following rates:

- Jordan School District 0.00% Rate Hold for Medical
- Utah School Board Association 0.00% Rate Hold for Medical/RX

The motion passed unanimously, 6-0.

GRS Actuarial Report

Mr. Danny White and Mr. Lewis Ward reviewed the Actuarial Valuation Report as of January 1, 2018, including the following topics:

- 2018 Legislative Activity
- Membership Experience
- Asset Experience
- Funded Status
- Contribution Rates
- Actuarial Profession Activity

ACTION: Mr. Ed Alter moved, seconded by Ms. Laura Houston, to accept the actuarial assumptions as contained in the Utah Retirement Systems Actuarial Valuation Report as of January 1, 2018. The motion passed unanimously, 6-0.

Contribution Rate Approval

ACTION: Mr. Bill Wallace moved, seconded by Mr. Ryan Hessenthaler, to approve the proposed contribution rates for the 2019-2020 fiscal year as contained in Utah Retirement Systems Actuarial Valuation Report as of January 1, 2018, subject to legislation in the 2019 General Session. The motion passed unanimously, 6-0.

Mr. Dan Andersen informed the Board that management has started talking about how to manage the situation when the funded status is at a level when decreasing the Board Certified Contribution Rate would be recommended. He asked the Board for permission to start talking to stakeholders and working with the actuaries to determine the best practices and policies to follow. The Board would like management to move ahead.

At 5:17 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, 6-0.

At 5:28 p.m., Mr. Ed Alter moved, seconded by Mr. Bill Wallace, to move back into Open Session. The motion passed unanimously, 6-0.

Final Motions

Order to Dismiss 18-07H

ACTION: Ms. Sheri Nelson moved, seconded by Mr. Ryan Hessenthaler, to approve the Order to Dismiss 18-07H as submitted by the Adjudicative Hearing Officer. The motion passed unanimously, 6-0.

Order to Dismiss 17-24D

ACTION: Mr. Bill Wallace moved, seconded by Mr. Ed Alter, to approve the Order to Dismiss 17-24D as submitted by the Adjudicative Hearing Officer. The motion passed unanimously, 6-0.

Findings of Fact, Conclusions of Law, and Order 17-18D

ACTION: Mr. Ryan Hessenthaler moved, seconded by Ms. Sheri Nelson, to approve the Findings of Fact, Conclusions of Law, and Order 17-18D as submitted by the Adjudicative Hearing Officer. The motion passed unanimously, 6-0.

Order to Dismiss 16-45D

ACTION: Mr. Ed Alter moved, seconded by Mr. Bill Wallace, to approve the Order to Dismiss 16-45D as submitted by the Adjudicative Hearing Officer. The motion passed unanimously, 6-0.

Findings of Fact, Conclusions of Law, and Order to Dismiss 2016-13D

ACTION: Mr. Ryan Hessenthaler moved, seconded by Mr. Bill Wallace, to approve the Findings of Fact, Conclusions of Law, and Order to Dismiss 2016-13D as submitted by the Adjudicative Hearing Officer. The motion passed unanimously, 6-0.

Board Website Hardware Distribution

Mr. Jeff Allen distributed the iPads to the Board Members that will be used to access Board Meeting materials exclusively starting in October. The August 16 and September 27-28 meetings may be accessed using the current Board website and the new application on the iPads. The Board will receive an email from Ms. LuAnn Miskin with instructions on how to set up one-on-one training on the new platform. They were encouraged to schedule their training as soon as possible during which they will receive their username and temporary password.

Adjournment

Mr. Bill Wallace moved, seconded by Mr. Ryan Hessenthaler, to adjourn the meeting. The motion passed unanimously, 6-0.

The meeting adjourned at 5:37 p.m.

Roger Donohoe, President

Daniel D. Andersen, Executive Director