

**MINUTES OF THE
ADMINISTRATIVE/INVESTMENT BOARD MEETING
December 14, 2017, 3:00 p.m., Utah Retirement Office**

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

Excused:

Staff: Mr. Jeff Allen, Shared Services Director
Mr. Dan Andersen, Executive Director
Mr. Michael Anderson, Sr. Compliance Officer, Investments
Mr. Ed Archer, Chief Compliance Officer, Investments
Mr. Steve Baker, PEHP Operations Director
Mr. Dave Bjarnason, Chief Compliance Officer, Investments
Ms. Erin Christensen, Associate General Counsel
Mr. Bruce Cundick, Chief Investment Officer
Mr. Rich Eggett, Portfolio Manager, Investments
Ms. Liza Eves, Associate General Counsel
Mr. Dave Hansen, PEHP Chief Counsel
Mr. Dee Larsen, General Counsel
Ms. Laura Lincoln, Sr. Portfolio Manager, Investments
Ms. LuAnn Miskin, Administrative Assistant, Administration
Mr. Kendall Rima, Chief Information Officer
Mr. Darron Schryver, Chief Information Security Officer

Guests:

Call to Order

President Roger Donohoe called the meeting to order at 3:01 p.m. and welcomed Board members and staff.

Approval of Minutes

ACTION: Mr. Bill Wallace moved, seconded by Mr. Ryan Hessenthaler, to approve the minutes of the November 9, 2017, Administrative/Investment Board Meeting. The motion passed unanimously, 6-0. Mr. David Damschen was absent for this vote.

ACTION: Ms. Sheri Nelson moved, seconded by Mr. Ed Alter, to approve the minutes of the November 14, 2017, Audit/Budget Committee Meeting. The motion passed unanimously, 6-0. Mr. David Damschen was absent for this vote.

Legislative Overview

Mr. Dee Larsen gave an overview of the upcoming 2018 Legislative Session. URS has two bills, the Retirement Systems Amendments bill and Public Employees LTD Act Amendments bill that clarifies the term “gainful employment”. Other potential bills were mentioned.

Mr. Dan Andersen reported that he and Utah State Treasurer David Damschen traveled to Washington D.C. a couple of weeks ago to discuss concerns with the Unrelated Business Income Tax (UBIT) provision that is included in the House version of the tax reform bill. Financial and compliance impacts are significant. They met with Senator Orrin Hatch’s staff, Congressman Rob Bishop’s staff, Speaker Ryan’s chief tax counsel, Majority Whip Scalise’s staff and tax counsel for the House Ways and Means committee.

Ed Archer Retirement

Mr. Ed Archer thanked the Board for their support over the years. Mr. Dan Andersen and the Board thanked Mr. Archer for his service. Mr. Michael Anderson was introduced to the Board. He will be working with Mr. Dave Bjarnason in Investment Compliance.

New Employer – Stansbury Service Agency

Mr. Dan Andersen reviewed the application for Stansbury Service Agency to participate in the Public Employees’ Retirement System. He reported that all eligibility requirements have been met and recommended approval of the application.

ACTION: Mr. Ed Alter moved, seconded by Mr. Ryan Hessenthaler, to approve Stansbury Service Agency as a participating employer in the Public Employees’ Retirement System. The motion passed unanimously, 7-0.

At 3:17 p.m., Ms. Laura Houston moved, seconded by Mr. David Damschen, to move into Closed Session to discuss security, proprietary, investment, and pending confidential legal matters. The motion passed unanimously, 7-0.

At 4:43 p.m., Mr. Ryan Hessenthaler moved, seconded by Ms. Laura Houston, to move back into Open Session. The motion passed unanimously, 7-0.

Final Motions

Order 16-37H

ACTION: Mr. Bill Wallace moved, seconded by Mr. David Damschen, to approve the Order 16-37H as submitted by the Adjudicative Hearing Officer. The motion passed unanimously, 7-0.

ACTION: Ms. Sheri Nelson moved, seconded by Mr. Ryan Hessenthaler, to adopt the Implementation Memorandum of the Hearing Officer's Decision, Guidance for "standard power wheelchair", as provided by Legal Counsel. The motion passed unanimously, 7-0.

Findings of Undisputed Fact, Conclusions of Law, and Summary Judgment 15-28R

ACTION: Ms. Laura Houston moved, seconded by Mr. Ed Alter, to approve the Findings of Undisputed Fact, Conclusions of Law, and Summary Judgment 15-28R as submitted by the Adjudicative Hearing Officer. The motion passed unanimously, 7-0.

Board Resolution 2017-01

ACTION: Mr. David Damschen moved, seconded by Mr. Bill Wallace, to approve the Board Resolution 2017-01, Adoption of Interest Rate Formula Pursuant to Section 49-11-503(1). The motion passed unanimously, 7-0.

Variance Report

ACTION: Mr. Ryan Hessenthaler moved, seconded by Mr. Ed Alter, to accept the Variance Report as of November 30, 2017, as presented. The motion passed unanimously, 7-0.

Adjournment

Ms. Sheri Nelson moved, seconded by Mr. Bill Wallace, to adjourn the meeting. The motion passed unanimously, 7-0.

The meeting adjourned at 4:46 p.m.

Roger Donohoe, Board President

Daniel D. Andersen, Executive Director