

**MINUTES OF THE
ADMINISTRATIVE BOARD MEETING
March 16, 2017 – 3:00 p.m. – Utah Retirement Office**

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

Excused: Ms. Laura Houston, Board Member

Staff: Mr. Jeff Allen, Shared Services Director
Mr. Dan Andersen, Executive Director
Mr. Steve Baker, PEHP Operations 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: Ms. Carli Johanson, State Treasurer Department Intern

Call to Order and Approval of Minutes

President Bill Wallace called the meeting to order at 3:02 p.m. and welcomed Board members, staff, and guest.

ACTION: Mr. Ryan Hessenthaler moved, seconded by Mr. Dave Damschen, to approve the minutes of the February 14, 2017, Audit/Budget Committee Meeting. The motion passed unanimously, 6-0.

ACTION: Ms. Sheri Nelson moved, seconded by Mr. Roger Donohoe, to approve the minutes of the February 16, 2017, Administrative/Investment Board Meeting. The motion passed unanimously, 6-0.

Legislative Update

Mr. Dee Larsen distributed and reviewed a document entitled, 2017 General Session: Summary of Selected Bills. Discussion followed.

Contribution Rates Approval

Mr. Dan Andersen reviewed the language from the August 11, 2016, Board Meeting minutes adopting the 7.2% assumed rate of return as well as the new contribution rates based

on those returns. Since there was no legislation that required changes in the contribution rates, the adoption of the rates in Alternative 1 on Exhibit 1 is still in effect.

ACTION: Mr. Dave Damschen moved, seconded by Mr. Roger Donohoe, to adopt the Contribution Rates for Fiscal Year 2017-2018 from Fiscal Year 2016-2017 listed on Exhibit 1, column (2), except for Bountiful Public Safety (49.58%), Tier 2 Public Employees (8.42%), and Tier 2 Public Safety and Firefighter (10.74%) which are listed in column (4). The motion passed unanimously, 6-0.

Strategic Plan Update – Retirement Administration and Recordkeeping System

Mr. Jeff Allen gave an update on the project to modernize the Retirement Administration and Recordkeeping System (AUREUS), including the following:

- Functions of the Retirement Administration System
 - Defined Benefits
 - Defined Contributions
 - Records Services
 - Finance
- History of Major System Enhancements
- Infrastructure Evolution
- Current System Short Comings
- Modernization Build or Buy
- RFP for Consultant

New Employer – Gunnison Valley Police Department

Mr. Dan Andersen reviewed the application for Gunnison Valley Police Department to participate in the Public Employees' and the Public Safety Retirement Systems. He reported that all eligibility requirements have been met and recommended approval of the application.

ACTION: Ms. Sheri Nelson moved, seconded by Mr. Ryan Hessenthaler, to approve Gunnison Valley Police Department as a participating employer in the Public Employees' and the Public Safety Retirement Systems. The motion passed unanimously, 6-0.

PEHP FTE Request

Mr. Dan Andersen and Mr. Chet Loftis reviewed the request for five new FTEs for PEHP to respond to ongoing membership growth. The following positions were requested:

- 3 Customer Service Representatives
- 1 Claims Adjustor
- 1 Claims Auditor

ACTION: Mr. Ed Alter moved, seconded by Mr. Roger Donohoe, to approve the five new PEHP FTEs as discussed. The motion passed unanimously, 6-0.

At 4:01 p.m., Mr. Ryan Hessenthaler moved, seconded by Mr. Roger Donohoe, to move into Closed Session for the purpose of discussing confidential pending legal matters and commercial information. The motion passed unanimously, 6-0.

At 4:14 p.m., Mr. Dave Damschen moved, seconded by Mr. Ed Alter, to move back into Open Session. The motion passed unanimously, 6-0.

Final Motions

Order to Dismiss 16-51H

ACTION: Mr. Ryan Hessenthaler moved, seconded by Mr. Ed Alter, to approve the Order to Dismiss 16-51H as submitted by the Adjudicative Hearing Officer. The motion passed unanimously, 6-0.

Default Judgment on Notice of Board Action 16-48S

ACTION: Mr. Dave Damschen moved, seconded by Mr. Roger Donohoe, to approve the Default Judgment on Notice of Board Action 16-48S as submitted by the Adjudicative Hearing Officer. The motion passed unanimously, 6-0.

Order to Dismiss 15-35H

ACTION: Ms. Sheri Nelson moved, seconded by Mr. Ryan Hessenthaler, to approve the Order to Dismiss 15-35H as submitted by the Adjudicative Hearing Officer. The motion passed unanimously, 6-0.

Order to Dismiss 16-36-H

ACTION: Mr. Roger Donohoe moved, seconded by Ms. Sheri Nelson, to approve the Order to Dismiss 16-36H as submitted by the Adjudicative Hearing Officer. The motion passed unanimously, 6-0.

At 4:20 p.m., Mr. Ryan Hessenthaler moved, seconded by Mr. Dave Damschen, to move into Executive Session to discuss fiduciary matters and the Executive Director's Review. The motion passed unanimously, 6-0.

Executive Session

The following were present:

- Board Members present
- Mr. Dan Andersen

Mr. Ed Alter moved, seconded by Mr. Dave Damschen, to move into Open Session. The motion passed unanimously, 6-0. The meeting resumed at 4:51 p.m.

Adjournment

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

The meeting adjourned at 4:52 p.m.

William W. Wallace, President

Daniel D. Andersen, Executive Director