

**MINUTES OF THE  
ADMINISTRATIVE BOARD MEETING  
May 11, 2017 – 3:00 p.m. – Utah Retirement Office**

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**Present:** Mr. Bill Wallace, Board President  
Mr. Ed Alter, Board Member  
Mr. Roger Donohoe, Board Vice President  
Ms. Laura Houston, Board Member

**Excused:** Mr. Dave Damschen, Board Member  
Mr. Ryan Hessenthaler, Board Member  
Ms. Sheri Nelson, Board Member

**Staff:** Mr. Dan Andersen, Executive Director  
Mr. Steve Baker, PEHP Operations Director  
Mr. Dee Larsen, General Counsel  
Mr. Kim Kellersberger, Finance Director  
Ms. LuAnn Miskin, Administrative Assistant  
Mr. Todd Rupp, Deputy Executive Director  
Mr. Steve West, Internal Audit Director

**Guests:** Mr. Brandon Brown, Deloitte & Touche, LLP  
Mr. Peter Mann, Deloitte & Touche, LLP

**Call to Order and Approval of Minutes**

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

**ACTION:** Mr. Ed Alter moved, seconded by Mr. Roger Donohoe, to approve the minutes of the April 18, 2017, Board Insurance Committee Meeting. The motion passed unanimously, 4-0.

**ACTION:** Ms. Laura Houston moved, seconded by Mr. Roger Donohoe, to approve the minutes of the April 20, 2017, Administrative/Investment Board Meeting. The motion passed unanimously, 4-0.

**Comprehensive Annual Financial Report (CAFR)**

Mr. Kim Kellersberger reviewed the 2016 Comprehensive Annual Financial Report (CAFR) as follows:

- Systems and Plans Statistical Highlights
  - Membership Information
  - Financial Information
  - Actuarial Information (GASB 67)
  - Actuarial Information (Funding)

- Government Finance Officers Association, Certificate of Achievement for Excellence in Financial Reporting for Fiscal Year 2015
- Public Pension Coordinating Council, Public Pension Standards Award for Funding and Administration 2016
- Retirement Board and Membership Council
- Retirement System Highlights
- Financial Section
  - Deloitte Independent Auditors' Report
  - Management's Discussion and Analysis
    - Sensitivity of the Net Pension Liability to Changes in the Discount Rate
  - Basic Financial Statements
    - Statement of Changes in Fiduciary Net Position – Pension (and Other Employee Benefit) Trust Funds
  - Notes to Basic Financial Statements
- Required Supplementary Information
  - Schedule of Changes in the Employers' Net Pension Liability
  - Schedules of Employer Contributions
  - Schedules of Fiduciary Net Position – Pension Trust Fund by Division
- Investment Section
- Statistical Section
  - Schedules of Changes in Net Position
  - Schedules of Active Members by Age and Gender
  - Schedules of Retirees by Age and Gender
- GASB 68 Schedules of Employer Allocation and Pension Reporting Section
- Schedule of Employer Allocations and Pension Amounts

### **Utah Retirement Employees Post Employment Healthcare Plan (“OPEB” Review)**

Mr. Kim Kellersberger reported on the audit that was performed of the financial statements of the Utah Retirement Employees Post Employment Healthcare Plan for the year ended December 31, 2016. He reported that a clean, unqualified opinion was issued.

### **Deloitte – Audit Report/Management Letter**

Mr. Peter Mann reviewed the Audit Reports as of December 31, 2016 (included in Board Materials). He reported that Deloitte & Touche LLP issued a clean, unqualified audit opinion on the Financial Statements and Schedules. All financial statements are prepared in accordance with GAAP.

The following items were reviewed:

- GASB 68 Schedules
- Accounting Estimates
- Uncorrected Misstatements (none)
- Corrected Misstatements (none)

- Significant Accounting Policies
- Other Information Contained in CAFR
- Disagreements with Management (none)
- Auditors' Views About Significant Matters that were the Subject of Consultation with other Accountants (none)
- Significant Findings or Issues Discussed, or Subject of Correspondence, with Management Prior to Deloitte's Retention
- Other Significant Findings or Issues Arising from the Audit Discussed, or Subject of Correspondence, with Management
- Significant Difficulties Encountered in Performing the Audit (none)
- Emphasis-of-Matter Paragraph
- Management's Representations

### **Deloitte – SOC 1 Audit Report**

Mr. Brandon Brown reviewed the SOC 1 (Service Organization Controls) Audit Report which covered the period of March 1, 2016 – February 28, 2017 (included in Board Materials).

Mr. Brandon Brown reported that the opinion of Deloitte & Touche LLP is unqualified and there were three testing exceptions identified for URS control activities tested.

At 3:50 p.m., Mr. Roger Donohoe moved, seconded by Mr. Ed Alter, to move into Executive Session to discuss fiduciary matters related to the Deloitte audits. The motion passed unanimously, 4-0. The following were present:

- Board Members Present
- Mr. Peter Mann, Deloitte & Touche LLP
- Mr. Brandon Brown, Deloitte & Touche LLP

Mr. Ed Alter moved, seconded by Mr. Roger Donohoe, to move into Closed Session to discuss confidential pending legal matters and fiduciary matters. The motion passed unanimously, 4-0. The meeting resumed at 4:04 p.m.

At 4:17 p.m., Ms. Laura Houston moved, seconded by Mr. Roger Donohoe, to move back into Open Session. The motion passed unanimously, 4-0.

### **URS/PEHP Employee Medical and Dental Insurance Budget 2017-2018**

Mr. Dan Andersen reviewed the URS/PEHP Employee Medical and Dental Insurance Budget for 2017-2018.

### **Final Motions**

### **URS/PEHP Employee Medical and Dental Budget 2017-2018**

**ACTION:** Mr. Roger Donohoe moved, seconded by Ms. Laura Houston, to approve the 2017-2018 URS/PEHP Employee Medical and Dental Budget increase of 7.5%. The motion passed unanimously, 4-0.

### **Order of Dismissal 15-01H**

**ACTION:** Mr. Ed Alter moved, seconded by Ms. Laura Houston, to approve the Order of Dismissal 15-01H as submitted by the Adjudicative Hearing Officer. The motion passed unanimously, 4-0.

### **Order of Dismissal 15-20H**

**ACTION:** Mr. Roger Donohoe moved, seconded by Mr. Ed Alter, to approve the Order of Dismissal 15-20H as submitted by the Adjudicative Hearing Officer. The motion passed unanimously, 4-0.

### **Findings of Fact, Conclusions of Law, and Order 16-28H**

**ACTION:** Ms. Laura Houston moved, seconded by Mr. Roger Donohoe, to approve the Findings of Fact, Conclusions of Law, and Order 16-28H as submitted by the Adjudicative Hearing Officer. The motion passed unanimously, 4-0.

### **Order to Dismiss 16-42D**

**ACTION:** Mr. Ed alter moved, seconded by Ms. Laura Houston, to approve the Order to Dismiss 16-42D as submitted by the Adjudicative Hearing Officer. The motion passed unanimously, 4-0.

### **Order to Dismiss 17-04S**

**ACTION:** Mr. Roger Donohoe moved, seconded by Mr. Ed Alter, to approve the Order to Dismiss 17-04S as submitted by the Adjudicative Hearing Officer. The motion passed unanimously, 4-0.

### **Order to Dismiss 16-32R**

**ACTION:** Ms. Laura Houston moved, seconded by Mr. Roger Donohoe, to approve the Order to Dismiss 16-32R as submitted by the Adjudicative Hearing Officer. The motion passed unanimously, 4-0.

At 4:21 p.m., Mr. Roger Donohoe moved, seconded by Mr. Ed Alter, to move into Executive Session to discuss fiduciary matters. The motion passed unanimously, 4-0. The following were present:

- Board Members Present
- Mr. Dan Andersen

Ms. Laura Houston moved, seconded by Mr. Ed Alter, to move back into Open Session. The motion passed unanimously, 4-0. The meeting resumed at 5:15 p.m.

### **Adjournment**

Mr. Roger Donohoe moved, seconded by Mr. Ed Alter, to adjourn the meeting. The motion passed unanimously, 4-0.

The meeting adjourned at 5:16 p.m.

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William W. Wallace, President

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Daniel D. Andersen, Executive Director