

**MINUTES OF THE
ADMINISTRATIVE BOARD MEETING
October 13, 2016 – 3:00 p.m. – Utah Retirement Office**

Present: Mr. Bill Wallace, Board President
Mr. Ed Alter, Board Member
Mr. Ryan Hessenthaler, Board Member
Ms. Laura Houston, Board Member

Excused: Ms. Sheri Nelson, Board Member
Mr. Dave Damschen, Board Member
Mr. Roger Donohoe, Board Vice President

Staff: Mr. Dan Andersen, Executive Director
Mr. Paul Anderton, Chief Actuary
Mr. Dave Hansen, PEHP Chief Legal Counsel
Mr. Kim Kellersberger, Finance 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:

Call to Order and Approval of Minutes

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

ACTION: Ms. Laura Houston moved, seconded by Mr. Ed Alter, to approve the minutes of the September 8-9, 2016, Administrative/Investment Board Workshop. The motion passed unanimously, 4-0.

Board Resolutions and Board Governance Policies

Mr. Dee Larsen reviewed the following new Board Resolutions and amended Board Governance Policies that were provided in the Board materials:

- Resolution 2016-01 - Master Resolution Amendments and Repealer
- Resolution 2016-02 - Domestic Relations Orders
- Resolution 2016-03 - Medical Reinsurance Coverage
- Resolution 2016-04 - Health and Dental Services Bid Process
- Resolution 2016-05 - Insurance Risk Pool Reserves Pursuant to Section 49-20-402
- Resolution 2016-06 - Employer Membership in the Local Governments' Risk Pool (LGRP)

- Resolution 2016-07 - Long Term Disability – Cost of Health Coverage Benefit
- Board Governance Policies (*Redline of policies to be amended*)

Discussion followed.

ACTION: Mr. Ed Alter moved, seconded by Mr. Ryan Hessenthaler, to adopt Resolution 2016-01 - Master Resolution Amendments and Repealer as presented. The motion passed unanimously, 4-0.

ACTION: Mr. Ryan Hessenthaler moved, seconded by Ms. Laura Houston, to adopt Resolution 2016-02 - Domestic Relations Orders as presented. The motion passed unanimously, 4-0.

ACTION: Ms. Laura Houston moved, seconded by Mr. Ed Alter, to adopt Resolution 2016-03 - Medical Reinsurance Coverage as presented. The motion passed unanimously, 4-0.

ACTION: Mr. Ryan Hessenthaler moved, seconded by Ms. Laura Houston, to adopt Resolution 2016-04 - Health and Dental Services Bid Process as presented. The motion passed unanimously, 4-0.

ACTION: Mr. Ed Alter moved, seconded by Mr. Ryan Hessenthaler, to adopt Resolution 2016-05 - Insurance Risk Pool Reserves Pursuant to Section 49-20-402 as presented. The motion passed unanimously, 4-0.

ACTION: Mr. Ed Alter moved, seconded by Mr. Ryan Hessenthaler, to adopt Resolution 2016-06 - Employer Membership in the Local Governments' Risk Pool (LGRP) with the technical amendment in the first 'Whereas' clause changing the U.C.A. Section 49-8-201 to 49-20-103. The motion passed unanimously, 4-0.

ACTION: Mr. Ryan Hessenthaler moved, seconded by Mr. Ed Alter, to adopt Resolution 2016-07 - Long Term Disability – Cost of Health Coverage Benefit as presented. The motion passed unanimously, 4-0.

ACTION: Ms. Laura Houston moved, seconded by Mr. Ryan Hessenthaler to accept the Board Governance Policies as amended. The motion passed unanimously, 4-0.

Legislative Update

Mr. Dee Larsen gave a legislative update on the September 14, 2016, Retirement and Independent Entities Interim Committee meeting where the five (5) proposed URS bills were reviewed. The Committee unanimously approved the URS bill package.

Higher Education Participation Update

Mr. Dan Andersen gave an update on the higher education participation issue and also gave a report on his presentation to the Retirement and Independent Entities Interim Committee on contribution rates and the assumed rate of return.

New Employer Approval

Mr. Dan Andersen reviewed the application for Morgan County to participate in the Firefighters' Retirement System. He reported that all eligibility requirements have been met and recommended approval of the application.

ACTION: Mr. Ryan Hessenthaler moved, seconded by Mr. Ed Alter, to approve Morgan County as a participating employer in the Firefighters' Retirement System. The motion passed unanimously, 4-0.

At 4:04 p.m., Ms. Laura Houston moved, seconded by Mr. Ryan Hessenthaler, to move into Closed Session for the purpose of discussing legal, proprietary, and confidential matters. The motion passed unanimously, 4-0.

Mr. Ryan Hessenthaler moved, seconded by Mr. Ed Alter, to move into Open Session. The motion passed unanimously, 4-0. The meeting resumed at 4:55 p.m.

Order of Judgment 16-22D

ACTION: Ms. Laura Houston moved, seconded by Mr. Ryan Hessenthaler, to approve the Order of Judgment 16-22D as submitted by the Adjudicative Hearing Officer. The motion passed unanimously, 4-0.

Order of Dismissal 15-09D

ACTION: Mr. Ed Alter moved, seconded by Mr. Ryan Hessenthaler, to approve the Order of Dismissal 15-09H as submitted by the Adjudicative Hearing Officer. The motion passed unanimously, 4-0.

Order of Dismissal 2016-05H

ACTION: Mr. Ryan Hessenthaler moved, seconded by Ms. Laura Houston, to approve the Order of Dismissal 2016-05H as submitted by the Adjudicative Hearing Officer. The motion passed unanimously, 4-0.

Order of Dismissal 16-27H

ACTION: Mr. Ed Alter moved, seconded by Mr. Ryan Hessenthaler, to approve the Order of Dismissal 16-27H as submitted by the Adjudicative Hearing Officer. The motion passed unanimously, 4-0.

PEHP Rate Renewals

ACTION: Mr. Ryan Hessenthaler moved, seconded by Mr. Ed Alter, to approve the LGRP Medical rate increase of 11.9% and the Dental rate increase of 1.7%, effective January 1, 2017. The motion passed unanimously, 4-0.

ACTION: Mr. Ed Alter moved, seconded by Ms. Laura Houston, to approve the Medicare Supplemental Medical rate increase of 23.4% and the Dental rate increase of 4.5%, effective January 1, 2017. The motion passed unanimously, 4-0.

Adjournment

Mr. Ryan Hessenthaler moved, seconded by Ms. Laura Houston, to adjourn the meeting. The motion passed unanimously, 4-0.

The meeting adjourned at 4:57 p.m.

William W. Wallace, President

Daniel D. Andersen, Executive Director