

**MINUTES OF THE
Retirement Board Workshop
September 8-9, 2016, 8:30 a.m., Stein Eriksen Lodge**

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

Excused:

Staff: Mr. Jeff Allen, Shared Services Director
Mr. Daniel Andersen, Executive Director
Mr. Ed Archer, Chief Compliance Officer, Investments
Mr. Steve Baker, Healthcare Services Director
Mr. Bruce Cundick, Chief Investment Officer
Mr. Guy Foutz, Investment Risk Officer
Mr. Kim Kellersberger, Finance Director
Ms. Jayne Knecht, Human Resource Director
Mr. Chet Loftis, PEHP Director
Ms. LuAnn Miskin, Administrative Assistant
Mr. Jason Morrow, Deputy Chief Investment Officer
Mr. Todd Rupp, Deputy Executive Director
Mr. Jerry Sanchez, Investment Counsel
Mr. Dee Larsen, General Counsel

Guests: Mr. James Callahan, Callan Associates
Mr. Michael Pineschi, Unite Here
Councilwoman Jeannine Pearce, Long Beach, California

Call to Order

President Sheri Nelson called the meeting to order at 8:30 a.m. and welcomed Board members, staff, and guests.

Mr. Roger Donohoe moved, seconded by Mr. Bill Wallace to move into Closed Session to discuss investment, proprietary and confidential information. The motion passed unanimously.

At 2:26 p.m., Mr. Roger Donohoe moved, seconded by Ms. Laura Houston to move into Open Session. The motion passed unanimously.

URS Budgets

Mr. Kim Kellersberger presented the budgets for review, as follows:

- 2015-2016 Actual Budget Expenses
- 2015-2016 Board Expenditures
- 2016-2017 Budget
- 2017-2018 Preliminary Budget Request
- 2015-2016 Actual Capital Asset Fund Budget Expenses
- 2016-2017 Capital Asset Budget

ACTION: Ms. Laura Houston moved, seconded by Mr. Bill Wallace, to approve the 2015-2016 Actual Budget Expenses as presented. The motion passed unanimously.

ACTION: Mr. Bill Wallace moved, seconded by Mr. Ed Alter, to approve the 2016-2017 Budget as presented. The motion passed unanimously.

ACTION: Mr. Ryan Hessenthaler moved, seconded by Mr. Dave Damschen, to approve the 2017-2018 Preliminary Budget as presented. The motion passed unanimously.

ACTION: Mr. Ed Alter moved, seconded by Mr. Roger Donohoe, to approve the 2015-2016 Actual Expenditures for the Capital Asset Fund as presented. The motion passed unanimously.

ACTION: Mr. Dave Damschen moved, seconded by Mr. Ryan Hessenthaler, to approve the 2016-2017 Capital Asset Fund Budget as presented. The motion passed unanimously.

Mr. Kellersberger reviewed the Investment Advisor Fees from July 1, 2015 to June 30, 2016 and the true-up of the Investment Advisor Fees from January 1, 2015 through December 31, 2015.

Fiduciary/Legislation Update

Mr. Larsen provided basic training on fiduciary topics and a legislation update. Items discussed included:

- Fiduciary Update
- Fiduciary Duties
- Legislative Update – Draft Bills
- Transparency & Open Government
- Board Resolutions
- Board Governance Policies Changes
- Report Card Issues
- Potential Future Steps

Board Resolutions and Board Governance Policies Changes

Mr. Dee Larsen reported that a comprehensive review has been completed of the Board Resolutions and Board Governance Policies. The purpose of the review was to update the

body of Board Resolutions, creating a current library of Board Resolutions that will be made available to members, employers, stakeholders, and other interested parties online via The URS Newsroom. Some resolutions needed amendments and others needs to be repealed having been superseded by subsequent Resolutions, plan documents and policies, amendments to Utah Code Title 49 or changes to other law. The following Board Resolutions and Board Governance Policies were provided to the Board for review:

- 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*)

Action on these resolutions and changes to the Board Governance Policies was postponed until the October 13, 2016, Administrative Board Meeting.

Approval of Minutes

ACTION: Mr. Roger Donohoe moved, seconded by Mr. Ryan Hessenthaler, to approve the minutes of the August 11, 2016, Administrative Board Meeting. The motion passed unanimously.

ACTION: Mr. Ed Alter moved, seconded by Mr. Roger Donohoe, to approve the minutes of the August 18, 2016, Investment Board Meeting. The motion passed unanimously.

Board Motions

ACTION: Mr. Ryan Hessenthaler moved, seconded by Mr. Ed Alter, to accept the Asset Allocation Report as of August 31, 2016. The motion passed unanimously.

ACTION: Mr. Roger Donohoe moved, seconded by Mr. Dave Damschen, to approve the Order of Dismissal 15-10D as submitted by the Adjudicative Hearing Officer. The motion passed unanimously.

Public Comment

Councilwoman Jeannine Pearce, Long Beach California, addressed the Board regarding the Westin Long Beach Hotel labor dispute. She requested to have a sit down meeting with hotel management to discuss issues prior to the NLRB hearing.

Mr. Dan Andersen read a statement from the AEW, Asset Manager, regarding this issue. Mr. Dave Damschen asked that the Board be made aware of the ruling of the NLRB hearing as part of a Board Meeting.

Mr. Roger Donohoe moved, seconded by Ms. Laura Houston, to adjourn the meeting until the morning. The motion passed unanimously. The meeting adjourned at 5:20 p.m. and will continue September 9, 2015, at 8:00 a.m.

Call to Order

President Sheri Nelson called the meeting to order at 8:00 a.m. and welcomed Board members and staff.

Role of Technology in Addressing Historical Healthcare Challenges

Mr. Chet Loftis informed the Board of current trends in healthcare, gave a preview of key issues leading up to the Legislative Session, and discussed insurance products developed at the request of Salt Lake School District. Items discussed included the following:

- State Plans
- New: Star Employee Premium
- State Renewal: Medical 9%
- Medicare Rx Renewal
- Corridor Coverage
- Historical Challenges
- Informed & Engaged Patients
- Pharmacy
- PEHP Treatment Advisor
- Alignment of Incentives
- Fragmentation of Care
- Health Trends
- Promise of Technology
- PEHP E-Care

At 9:09 a.m., Mr. Roger Donohoe moved, seconded by Ms. Laura Houston, to move into Closed Session to discuss confidential and proprietary fiduciary information. The motion passed unanimously.

Mr. Ed Alter moved, seconded by Mr. Ryan Hessenthaler, to move back into Open Session. The motion passed unanimously. The meeting resumed at 12:08 p.m.

During Board Elections, Mr. Bill Wallace was elected President and Mr. Roger Donohoe was elected Vice President and Chairman of the Audit/Budget Committee.

Adjournment

Mr. Roger Donohoe moved, seconded by Ms. Laura Houston, to adjourn the meeting. The motion passed unanimously. The meeting adjourned at 12:09 p.m.

Sheri K. Nelson, Board President

Daniel D. Andersen, Executive Director