

**MINUTES OF THE
ADMINISTRATIVE BOARD MEETING
June 9, 2016 – 1:30 p.m. – Utah Retirement Office**

- Present:** Ms. Sheri Nelson, Board President
Mr. Ryan Hessenthaler, Board Member
Ms. Laura Houston, Board Member
Mr. Bill Wallace, Board Vice-President
- Excused:** Mr. Ed Alter, Board Member
Mr. Dave Damschen, Board Member
Mr. Roger Donohoe, Board Member
- Staff:** Mr. Dan Andersen, Executive Director
Mr. Ed Archer, Chief Compliance Officer, Investments
Mr. Ryan Ashcraft, Retirement Planning Director
Ms. Angie Benson, Long Term Disability Manager
Mr. Dave Bjarnason, Sr. Compliance Officer, Investments
Mr. Steve Baker, PEHP Operations Director
Mr. Kim Kellersberger, Finance Director
Mr. Dee Larsen, General Counsel
Ms. LuAnn Miskin, Administrative Assistant
Mr. Todd Rupp, Deputy Executive Director
Mr. Jerry Sanchez, Chief Investment Counsel
Mr. Joel Sheppard, Marketing Director
Mr. Craige Stone, Defined Contributions Director
- Guests:** Mr. John Wald, Lighthouse Research & Development, Inc.
Mr. Danny White, Gabriel Roeder Smith & Company
Mr. Lewis Ward, Gabriel Roeder Smith & Company

Call to Order and Approval of Minutes

President Sheri Nelson called the meeting to order at 1:37 p.m. and welcomed Board members, staff, and guests.

ACTION: Ms. Laura Houston moved, seconded by Mr. Bill Wallace, to approve the minutes of the May 12, 2016, Administrative Board Meeting. The motion passed unanimously.

ACTION: Mr. Ryan Hessenthaler moved, seconded by Ms. Laura Houston, to approve the minutes of the May 17, 2016, Audit/Budget Committee Meeting. The motion passed unanimously.

ACTION: Mr. Bill Wallace moved, seconded by Mr. Ryan Hessenthaler, to approve the minutes of the May 19, 2016, Investment Board Meeting. The motion passed unanimously.

URS Satisfaction Survey Results

Mr. John Wald reviewed the URS Employer telephone survey results, including the following items:

- Employers Contacting URS
- URS Contacting Employers
- Website Usage
- URS Literature
- URS Products
- Employers Guide
- Final Thoughts

Retirement Division Strategic Plan Update

Mr. Todd Rupp provided an update on the Current Year Deliverables for the Retirement Division.

LTD Statute Amendment

Mr. Dee Larsen distributed a document outlining the 2017 Potential URS-related Legislation. He briefly reviewed seven bill files that have been approved by the legislature's Retirement and Independent Entities Committee at its last meeting to be opened for the 2017 Legislative Session.

He provided a more in-depth review of the proposed bill, Public Employee's Long-Term Disability Act Amendments.

PEHP HRA Plan

Mr. Dee Larsen reviewed the PEHP HRA Plan that will provide an HRA benefit for those who are not eligible to participate in an HSA program, which will be effective July 1, 2016. This will implement 2016 H.B. 81, Government Employees Insurance Offerings Amendments.

ACTION: Ms. Laura Houston moved, seconded by Mr. Bill Wallace, to approve the PEHP HRA Plan to implement H.B. 81. The motion passed unanimously.

Assumed Rate of Return

Mr. Danny White and Mr. Lewis Ward presented on the Assessment of the Investment Return Assumption, including the following:

- Background and Purpose
- Components of the Investment Return Assumption
- Inflation Component

- Real Return Component
- Real Return – Short-Term (10-Year) Assumptions
- Real Return – Long-Term (30-Year) Assumptions
- Investment Return Assumption – Comparison to Peers
- Impact on Contribution Rates

Discussion followed on options, timeframes, priorities, etc.

At 3:15 p.m., Mr. Bill Wallace moved, seconded by Mr. Ryan Hessenthaler, to move into Closed Session for the purpose of discussing fiduciary and confidential matters. The motion passed unanimously.

Ms. Laura Houston moved, seconded by Mr. Ryan Hessenthaler, to move back into Open Session. The meeting resumed at 3:32 p.m.

Default Judgment on Notice of Board Action 2016-09S

ACTION: Mr. Ryan Hessenthaler moved, seconded by Mr. Bill Wallace, to approve the Default Judgment on Notice of Board Action 2016-09S as submitted by the Adjudicative Hearing Officer. The motion passed unanimously.

Order of Dismissal 15-34D

ACTION: Mr. Bill Wallace moved, seconded by Ms. Laura Houston, to approve the Order of Dismissal 15-34D as submitted by the Adjudicative Hearing Officer. The motion passed unanimously.

Order of Dismissal 15-39R

ACTION: Ms. Laura Houston moved, seconded by Mr. Ryan Hessenthaler, to approve the Order of Dismissal 15-39R as submitted by the Adjudicative Hearing Officer. The motion passed unanimously.

Findings of Fact, Conclusions of Law, and Order 14-24D

ACTION: Mr. Ryan Hessenthaler moved, seconded by Mr. Bill Wallace, to approve the Findings of Fact, Conclusions of Law, and Order 14-24D as submitted by the Adjudicative Hearing Officer. The motion passed unanimously.

IPS (DC) Update

ACTION: Mr. Bill Wallace moved, seconded by Ms. Laura Houston, to approve the changes to the Defined Contribution IPS. The motion passed unanimously.

Adjournment

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

The meeting adjourned at 3:34 p.m.

Sheri K. Nelson, President

Daniel D. Andersen, Executive Director