

**MINUTES OF THE
ADMINISTRATIVE BOARD MEETING
May 12, 2016 – 3:00 p.m. – Utah Retirement Office**

- 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
- Excused:** Mr. Bill Wallace, Board Vice-President
- Staff:** Mr. Ed Archer, Chief Compliance Officer, Investments
Mr. Steve Baker, PEHP Operations Director
Mr. Dave Hansen, PEHP Chief Legal Counsel
Mr. Kim Kellersberger, Finance Director
Mr. Dan Larsen, Real Estate Investment Portfolio Manager
Mr. Dee Larsen, General Counsel
Ms. LuAnn Miskin, Administrative Assistant
Mr. Todd Rupp, Deputy Executive Director
Mr. Joel Sheppard, Marketing Director
Mr. Steve West, Internal Auditor
- Guests:** Mr. Mark Faas, Deloitte & Touche LLP
Ms. Hilary Cabodi, Deloitte & Touche LLP
Mr. Peter Mann, Deloitte & Touche LLP
Mr. Troy Williams, Equality Utah
Mr. John Dougall, Utah State Auditor
Mr. Michael Pineschi, Unite Here

Call to Order and Approval of Minutes

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

ACTION: Ms. Laura Houston moved, seconded by Mr. Roger Donohoe, to approve the minutes of the April 19, 2016, Board Insurance Committee Meeting. The motion passed unanimously.

ACTION: Mr. Ed Alter moved, seconded by, Mr. Ryan Hessenthaler, to approve the minutes of the April 21, 2016, Administrative/Investment Board Meeting. The motion passed unanimously.

Equality Utah

Mr. Troy Williams, Executive Director of Equality Utah, addressed the Board regarding the LGBTQ community and the Westin Long Beach hotel.

Comprehensive Annual Financial Report (CAFR) Review

Mr. Kim Kellersberger reviewed the 2015 Utah Retirement Systems CAFR, including the following items:

- Systems and Plans Statistical Highlights for Defined Benefit System and Defined Contribution Plans
 - Membership Information
 - Financial Information
 - Actuarial Information
- Awards
 - Certificate of Achievement for Excellence in Financial Reporting Award – This is the 31st consecutive year URS has received this award.
 - Public Pension Standard Award for Funding and Administration – This is the 17th consecutive year URS has received this award.
- Introductory Section
 - Board President’s Letter
 - Retirement Board and Membership Council
 - Organization Chart
 - Noncontributory Retirement System Highlights
 - Service Retirement
 - Service Benefit Formula
 - Cost-of-Living Allowance
 - Contribution Rates
 - Additions by Source
 - Deductions by Type
 - Schedule of Employers’ Net Pension Liability
- Financial Section
 - Independent Auditors’ Report (Deloitte)
 - Management’s Discussion and Analysis
 - Financial Analysis of the Systems – Defined Benefit Plans
 - Combined Statements of Fiduciary Net Position – Defined Benefit Pension Plans
 - Basic Financial Statements
 - Statement of Fiduciary Net Position – Pension (and Other Employee Benefit) Trust Funds
 - Statement of Changes in Fiduciary Net Position (and Other Employee Benefit) Trust Funds
 - Notes to Basic Financial Statements
 - Investments and Derivative Instruments Measured at Fair Value
 - Required Supplementary Information
 - Schedule of Changes in the Employers’ Net Pension Liability
 - Schedules of Fiduciary Net Position – Pension Trust Fund by Division
- Investment Section
 - 10-Year Total Pension Investment Rates of Return

- Defined Contribution Plans Comparative Annualized Rates of Return
- Actuarial Section
 - Calculation of Actuarial Value of Assets
- Statistical Section
 - Schedules of Changes in Fund Balance – Defined Benefit Systems
 - Schedules of Active Members by Age and Gender
- GASB 68 Schedules of Employer Allocation and Pension Reporting
 - Schedules of Changes in Fiduciary Net Position by Employer – Pension Trust Fund by Division

OPEB Report

Mr. Kellersberger reviewed the Utah Retirement Employees Post Employment Healthcare Plan 2015 Comprehensive Annual Financial Report (OPEB Report).

Deloitte – Audit Reports/Management Letter

Mr. Peter Mann reviewed the Audit Scope and Responsibilities under the Auditing Standards.

Mr. Mann reported that Deloitte & Touche LLP issued a clean unmodified audit opinion on the Financial Statements and Schedules. All financial statements are prepared in accordance with GAAP.

At 3:47 p.m., Mr. Roger Donohoe moved, seconded by Mr. Ed Alter, 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 4:54 p.m.

Findings of Fact, Conclusions of Law, and Order 15-16H

ACTION: Mr. Ed Alter moved, seconded by Mr. Dave Damschen, to approve the Findings of Fact, Conclusions of Law, and Order 15-16H as submitted by the Adjudicative Hearing Officer. The motion passed unanimously.

Order of Dismissal 2016-08L

ACTION: Mr. Ryan Hessenthaler moved, seconded by Mr. Roger Donohoe, to approve the Order of Dismissal 2016-08L as submitted by the Adjudicative Hearing Officer. The motion passed unanimously.

Order of Dismissal 15-13R

ACTION: Mr. Dave Damschen moved, seconded by Mr. Ryan Hessenthaler, to approve the Order of Dismissal 15-13R as submitted by the Adjudicative Hearing Officer. The motion passed unanimously.

Order of Dismissal 2016-03R

ACTION: Ms. Laura Houston moved, seconded by Mr. Roger Donohoe, to approve the Order of Dismissal 2016-03R as submitted by the Adjudicative Hearing Officer. The motion passed unanimously.

Order of Dismissal 14-25R

ACTION: Mr. Roger Donohoe moved, seconded by Ms. Laura Houston, to approve the Order of Dismissal 14-25R as submitted by the Adjudicative Hearing Officer. The motion passed unanimously.

URS/PEHP Employee Medical and Dental Budget 2016-2017

ACTION: Mr. Ryan Hessenthaler moved, seconded by Mr. Ed Alter, to approve the 2016-2017 URS/PEHP Employee Medical and Dental Budget increase of 6.82%. The motion passed unanimously.

Adjournment

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

The meeting adjourned at 4:57 p.m.

Sheri K. Nelson, President

Daniel D. Andersen, Executive Director