

**UTAH STATE RETIREMENT BOARD
MINUTES OF THE
RETIREMENT BOARD WORKSHOP
ADMINISTRATIVE BOARD MEETING
October 2, 2020, 8:30 a.m.
Via Video Conference**

Participated via Video Conference:

Mr. Ryan Hessenthaler, Board President
Mr. David Damschen, Board Vice President
Mr. Roger Donohoe, Board Member
Mr. Richard Ellis, Board Member
Mr. Larry Evans, Board Member
Ms. Laura Houston, Board Member
Mr. Bill Wallace, Board Member

Excused:

Staff Participated via Video Conference:

Mr. Jeff Allen, Shared Services Director
Mr. Dan Andersen, Executive Director
Mr. Dave Bjarnason, Chief Compliance Officer, Investments
Mr. Mark Cain, Deputy Executive Director
Mr. Bruce Cundick, Chief Investment Officer
Mr. Rob Dolphin, Chief Financial Officer
Ms. Gail Keeler, Controller, URS Finance
Mr. Dee Larsen, General Counsel
Mr. Chet Loftis, PEHP Director
Ms. Tiffany Lund, URS Project Management Director
Ms. LuAnn Miskin, Administrative Assistant
Mr. Kendall Rima, Chief Information Officer

Guests: Ms. Martha Diaz Mendez, Fundmap, Pageant Media Ltd

Call to Order

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

Approval of Minutes

ACTION: Mr. Roger Donohoe moved, seconded by Mr. Richard Ellis, to approve the minutes of the August 13, 2020, Administrative Board Meeting. The motion passed unanimously, 7-0.

ACTION: Mr. David Damschen moved, seconded by Ms. Laura Houston, to approve the minutes of the August 18, 2020, Audit/Risk/Insurance Committee Meeting. The motion passed unanimously, 7-0.

ACTION: Mr. Bill Wallace moved, seconded by Mr. Larry Evans, to approve the minutes of the August 20, 2020, Investment Board Meeting. The motion passed unanimously, 7-0.

Operational Update

Mr. Dan Andersen reported that he informed all employees that with current conditions there would be no migration back to the office until at least after the first of the year. Circumstances will be evaluated again at that time. URS and PEHP are still functioning at a high level. Curbside service at the office is available for those who need it and requests for in-person meetings are being looked at on a case-by-case basis according to the essential nature of the meeting. We are also continuing to monitor employee engagement. HR has many resources to provide resilience training. We continue to be concerned about employees' physical and mental health and safety.

Mr. Andersen was asked about the building issues reported after the earthquake. He reported that the seismic analysis has been completed and some seismic upgrades will be done over the next few years.

He was also asked if any employees were working in the office on a regular basis. He reported that we have a core group of functions that require certain employees to come into the office every day. We have some employees who come in on a rotating basis. We also have an option for employees to request to work in the office for various reasons. These requests are handled on a case-by-case basis.

Annual Fiduciary and Open Meetings Training

Mr. Dee Larsen provided Open & Public Meetings training, Fiduciary training, and Action Items and Next Steps. The following topics were reviewed and discussed:

- Open & Public Meetings Training
 - Meetings
 - Open Meetings
 - Closed & Emergency Meetings
 - New Developments in the State Relating to Meetings
 - Executive Order 2020-5
 - Electronic Meetings
- Fiduciary Training
 - Fiduciary Duties
 - Who is a Fiduciary?
 - Fiduciary Duty of Prudence
 - Fiduciary Duty of Loyalty
 - Fiduciary Implications of the Pandemic
 - Other Developments
- Action Items and Next Steps

The Board Member Annual Fiduciary Compliance Certificate was included in the Diligent platform for each Board Member to review and sign. The certificates will be kept on file at the URS Retirement Office.

URS / PEHP Annual Budget Report

Mr. Rob Dolphin reviewed the URS/PEHP Annual Budget Report, including the following budget items:

- Overview of budget process and steps taken due to COVID-19
- Review of historical expenses and FTE's
- Review variances between budget and actuals for FY 2020
- Review proposed FY 2021, 2022, and 2023 operating budgets
- Review proposed FY 2021, 2022, and 2023 capital budgets
- Review URS and PEHP data processing system projects multi-year budget
- Board approvals of 2020 FY expenditures, FY 2021 adjusted budget, and 2022 and 2023 preliminary budgets

The following motions were made to approve budgets.

ACTION: Mr. Roger Donohoe moved, seconded by Mr. Bill Wallace, to approve the 2019-2020 final actual fiscal year ended expenditures as presented. The motion passed unanimously, 7-0.

ACTION: Mr. Richard Ellis moved, seconded by Ms. Laura Houston, to approve the 2020-2021 budget as presented. The motion passed unanimously, 7-0.

ACTION: Mr. Roger Donohoe moved, seconded by Mr. Larry Evans, to approve the 2021-2022 preliminary budget as presented. The motion passed unanimously, 7-0.

ACTION: Mr. David Damschen moved, seconded by Mr. Bill Wallace, to approve the 2022-2023 preliminary budget as presented. The motion passed unanimously, 7-0.

ACTION: Ms. Laura Houston moved, seconded by Mr. Larry Evans, to approve the 2019-2020 final actual fiscal year ended capital expenditures as presented. The motion passed unanimously, 7-0.

ACTION: Mr. Bill Wallace moved, seconded by Mr. Roger Donohoe, to approve the 2020-2021 capital projects budget as presented. The motion passed unanimously, 7-0.

ACTION: Mr. David Damschen moved, seconded by Mr. Richard Ellis, to approve the preliminary 2021-2022 capital projects budget as presented. The motion passed unanimously, 7-0.

ACTION: Ms. Laura Houston moved, seconded by Mr. Roger Donohoe, to approve the 2022-2023 preliminary capital projects budget as presented. The motion passed unanimously, 7-0.

AUREUS Update

Ms. Tiffany Lund gave an update on the AUREUS project, including the following items:

- AUREUS Project Overview
- AUREUS Actual vs. Expected Progress
- Design & Build AUREUS Foundation
- Other Half of the Project – Data Conversion

The Board asked to be given an update in a future Board meeting on AUREUS security as well as security for endpoint users.

At 10:48 a.m., Mr. David Damschen moved, seconded by Mr. Roger Donohoe, to move into Executive Session to discuss fiduciary and confidential information. The motion passed unanimously, 7-0.

Executive Session

The following were present:

- Board Members Present
- Mr. Dan Andersen
- Mr. Bruce Cundick (first part only)

Mr. Bill Wallace moved, seconded by Mr. David Damschen, to move back into Open Session. The motion passed unanimously, 7-0. The meeting resumed at 11:38 a.m.

Adjournment

Mr. Roger Donohoe moved, seconded by Ms. Laura Houston, to adjourn the meeting. The motion passed unanimously, 7-0.

The meeting adjourned at 11:38 a.m.

Ryan Hessenthaler, President

Daniel D. Andersen, Executive Director