

**MINUTES OF THE
UTAH STATE MEMBERSHIP COUNCIL MEETING
November 7, 2022, 12:00 Noon
Utah Retirement Office
Hybrid Meeting**

Council Members Participating in Person:

Mr. Marty Peterson, Chairperson, Professional Firefighters of Utah
Mr. LeGrand Bitter, Utah Association of Special Service Districts
Ms. Amy Ehresman, Vice Chairperson, Utah School Employees' Association
Sr. Trooper Arlow Hancock, Utah Peace Officers' Association
Mr. Larry Millward, Utah Retired School Employees' Association
Mr. Zane Woolstenhulme, Utah Association of School Business Officials

Council Members Participating via Video Conferencing:

Ms. Sandy Gustavson, Utah Public Employees' Association
Mr. Rod Hurd, Utah Education Association
Mr. Dan Jessen, Utah Association of Counties

Excused:

Mr. Jamie Davidson, Utah League of Cities & Towns
Mr. Brad Hardesty, Utah Association of Retired Public Employees
Ms. Tina McMullin, Utah Education Association
Ms. Sheri Nelson, Utah Public Employees' Association
Judge Kara Pettit, Utah Judicial Council

Staff Participating in Person:

Mr. Dan Andersen, Executive Director
Mr. Mark Cain, Deputy Executive Director
Mr. Kory Cox, URS Association and Stakeholder Liaison
Ms. Liza Eves, Senior Associate General Counsel
Mr. Dee Larsen, General Counsel
Ms. LuAnn Miskin, Executive Assistant
Mr. Greg Poulton, Retirement Planning Advisor
Mr. Craige Stone, Defined Contribution Director

Staff Participating via Video Conferencing:

Mr. James Hammer, Employer Services Director

Guests Participating via Video Conferencing:

Ms. Brittney Miller, DHRM, Representing Ms. Debra Valentine

Welcome

Chairperson Marty Peterson called the meeting to order at 12:02 p.m. and welcomed Council members, staff, and guests.

Approval of Minutes

Chairperson Marty Peterson asked for approval of the October 3, 2022, Membership Council Meeting minutes.

ACTION: Mr. Larry Millward moved, seconded by Ms. Amy Ehresman, to approve the minutes of the October 3, 2022, Membership Council Meeting. The motion passed unanimously.

Report from Member Organizations

Chairperson Marty Peterson asked the Council members for a report from their organizations. He stated that firefighters do not have any particular retirement issues. A non-retirement issue that they may be taking to the legislature has to do with healthcare as there has been an uptick in incidents of cancer in firefighters.

Ms. Amy Ehresman stated that she had nothing to report.

Sr. Trooper Arlow Hancock stated that he had nothing to report. They are just watching.

Mr. Larry Millward stated that he had nothing to report.

Mr. Rod Hurd stated that their biggest issue is making Tier 2 better for employee retention.

Mr. Dan Jessen stated that he had nothing to report. They are watching public safety bills.

Ms. Brittney Miller stated that she had nothing to report from the state.

Ms. Sandy Gustaveson stated that she had nothing to report.

Mr. Zane Woolstenhulme stated that he had nothing to report.

2023 Legislation Update

Mr. Dee Larsen and Mr. Kory Cox reviewed the annual URS amendment bill. It is mainly clean up and clarifications. There are no material benefit changes. The Interim Retirement and Independent Entities Committee will be meeting November 15, 2022, at 4 p.m. where this bill will be reviewed. Chairperson Peterson asked the Council Members to review the URS bill as soon as it becomes available and talk to their organizations about it and bring any questions or feedback to URS staff. Mr. Larsen and Mr. Cox are working on getting some costs on post retirement re-employment for some legislators. Another area they have heard discussed is enhancements to Tier 2.

Chairperson Peterson asked about the ESG investing topic. Mr. Dan Andersen stated that ESG stands for environmental, social, and governance investing. It is a very complicated

topic. The push is on institutional investors from people trying to tell them how to invest funds. URS has a fiduciary duty to invest in the best interest of its beneficiaries.

Director's Report

Mr. Dan Andersen reviewed how the down markets effect the retirement system. URS investments are very diversified with downside protections in place. Three things have helped lessen the effects of the down market, putting cash into bonds as interest rates have risen, the energy portfolio, and the hedge fund portfolio have performed well. The fund is down 6.5% so far this year but is in a very solid financial position. At the end of the year 2021, the market value funded ratio was 105% and 94% funded actuarially. Currently the retirement fund is about 94% funded on market value and about the same on actuarial value.

"Understanding Timeless Investment Principles"

Mr. Greg Poulton gave a presentation on "Understanding Timeless Investment Principles".

- Timing the Market vs. Time in the Market
- Currently
- Investment Mix – Ingredients
- Bond
- Discount
- The Mix Makes the Difference
- Diversification
- Which Target Date Fund For You?
- Target Date Funds
- Choosing a Target Date Fund
- Investor Profile Questionnaire
- Index & Target Date Funds during 2020
- The Cost of Losing 10 Years of Saving
- Dollar Cost Averaging
- Cost of Missing the Rebound
- Annual returns and intra-year declines
- Individual Retirement Planning Sessions

Other Business

None.

Adjournment

ACTION: Mr. Larry Millward moved to adjourn the meeting.

The meeting adjourned at 1:20 p.m.

The next Membership Council Meeting will be December 5, 2022, at noon. This will be a hybrid meeting.