

**MINUTES OF THE
RETIREMENT AND INDEPENDENT ENTITIES COMMITTEE**
Wednesday, October 20, 2010 – 7:00 a.m. – Room 450, Capitol Building

Members Present:

Sen. Daniel R. Liljenquist, Senate Chair
Rep. Don L. Ipson, House Chair
Sen. Brent H. Goodfellow
Sen. Jon J. Greiner
Sen. Karen Mayne
Rep. Bradley M. Daw
Rep. Susan Duckworth
Rep. Neil A. Hansen
Rep. Wayne A. Harper
Rep. Bradley G. Last
Rep. Merlynn T. Newbold

Members Absent:

Sen. Curtis S. Bramble
Sen. D. Chris Buttars
Rep. Stephen E. Sandstrom
Rep. Christine F. Watkins

Staff Present:

Mr. Benjamin N. Christensen, Policy Analyst
Ms. Shannon C. Halverson, Associate General Counsel
Ms. Catherine J. Dupont, Associate General Counsel
Ms. Glenda S. Whitney, Legislative Secretary

Note: A list of others present, a copy of related materials, and an audio recording of the meeting can be found at www.leg.utah.gov.

1. Call to Order

Chair Liljenquist called the meeting to order at 7:02 a.m. Rep. Watkins was excused from attending the meeting.

MOTION: Sen. Greiner moved to approve the minutes of the November 12, 2009 meeting. The motion passed unanimously. Rep. Harper was absent for the vote.

2. Audit of Long-Term Actuarial Projections Related to the Utah State Retirement Systems - Final Report

Chair Liljenquist noted that the Retirement and Independent Entities Appropriations Subcommittee awarded a contract to Cheiron, Inc. to audit long-term actuarial projections provided by Gabriel Roeder Smith & Company in a letter dated November 10, 2009 and the actuarial analyses S.B. 63 and S.B. 42 from the 2010 General Session.

Mr. William R. Hallmark, ASA, EA, Cheiron, Inc., and Mr. Michael J. Noble, Jr. FSA, EA, Cheiron Inc., distributed a copy and gave an overview of the key findings of the audit, "Audit of Long-Term Actuarial Projections Relating to State Retirement System." Mr. Hallmark and Mr. Noble agreed with the substantive results of the valuation, assumptions, calculation or contribution rates, and funded status in the long-term projection report. The audit suggested changing provisions in the hybrid Tier II plan of S.B. 63 to ensure its sustainability over the long-term if investment returns are lower than expected. The audit made several other findings and recommendations for consideration.

Mr. Robert V. Newman, Executive Director, Utah State Retirement Systems (URS), commented on the audit and noted URS agreed in substance to the audit.

MOTION: Rep. Last moved to accepted the audit of Long-Term Actuarial Projections report by Cheiron and authorized our staff to make payment for the report. The motion passed unanimously with Rep. Harper absent for the vote.

3. Retirement Contribution Rates

This agenda item was not discussed.

4. Utah Retirement Code Amendments

This agenda item was not discussed.

5. Other Committee Business

6. Adjourn

MOTION: Rep. Daw moved to adjourn the meeting. The motion passed unanimously. Rep. Harper was absent for the vote.

Chair Liljenquist adjourned the meeting at 8:40 a.m.