

## **Meeting Minutes | Board of Directors**

Wednesday, March 6, 2019 | 3:00 p.m.  
202 Arbor Lake Dr., Columbia, SC 29223 | First Floor Conference Room

Minutes approved July 24, 2019

**Board Members Present:** Ms. Jennifer Blumenthal, Mr. Steve Heisler, Ms. Paige Lewis, Sheriff Leon Lott, Mr. Steve Matthews, Mr. Audie Penn, Mr. Chuck Richardson, and Chairman John Sowards

**Board Members Present Via Telephone:** Mr. Alex Shissias

**Board Members Absent:** Vice Chairman Joe “Rocky” Pearce and Mr. Ed Walton

**Others Present for All or a Portion of the Meeting:** Peggy Boykin, Ashley Brindle, Amber Carter, Joe Greene, Doug Hislop, Jessica Moak, Heather Muller, Tammy Nichols, John Page, Travis Turner, Stephen Van Camp, Justin Werner, and Heather Young from the South Carolina Public Employee Benefit Authority (PEBA); Mike Wright and Joe Ferguson from Segal Marco Advisors; Samantha Harper from the South Carolina Office of the State Treasurer; Meghan Walker from the South Carolina State Ethics Commission; and Charlie Mullikin from Mullikin Law Firm.

### **I. Call to Order**

Chairman John Sowards called the PEBA Board of Director’s (Board) meeting to order at 3:00 p.m., and stated that the public meeting notice was posted in compliance with the Freedom of Information Act.

Chairman Sowards welcomed Ms. Jennifer Blumenthal as the Board’s newest member, and thanked her for her service on the FAAC Committee.

### **II. Approval of Meeting Minutes- December 5, 2018**

It was noted that the December 5, 2018, Board meeting minutes were approved as presented.

### **III. Ethics Training- SC State Ethics Commission**

Mr. Stephen Van Camp, General Counsel, introduced Ms. Meghan Walker, Executive Director of the South Carolina State Ethics Commission, to conduct the Board’s annual ethics training.

Ms. Walker stated that the Ethics Reform Act covers public officials; public members; and public employees. Ms. Walker advised the Board that public members must file a Statement of Economic Interests within ten days of assuming official responsibilities, and must file every year that they serve by March 30<sup>th</sup>. Ms. Walker reviewed the information that is required on the Statement of Economic Interests; how to complete the Statement properly; and the penalties for noncompliance and

nondisclosure. Ms. Walker concluded her presentation by reviewing conflicts of interest violations; when a Board member must recuse themselves; and how to request a formal or informal opinion from the South Carolina State Ethics Commission.

#### **IV. Committee Reports**

##### **A. Finance, Administration, Audit and Compliance (FAAC) Committee**

Mr. Steve Matthews reported that the FAAC Committee met earlier in the morning, and Mr. John Page, Director of Internal Audit, provided the PEBA internal audit reports including:

- A. Retirement Plan Compliance- General Assembly Retirement System
- B. Internal Audit Plan Status Report
- C. Internal Audit Plan 2019/2020

Mr. Matthews advised that the FAAC Committee approved the 2019 Internal Audit Plan as presented.

It was noted that the next FAAC Committee meeting will be July 24, 2019.

##### **B. Health Care Policy Committee**

Mr. Alex Shissias stated that the Health Care Policy Committee met earlier in the day, but did not have a quorum so they were unable to take any official action. Mr. Shissias reported that the Committee members present received an update on weight management; reviewed the results from recent pharmacy initiatives to address increasing prescription drug cost; and discussed wellness initiatives at PEBA.

It was noted that the next Health Care Policy Committee meeting will be July 24, 2019.

##### **C. Retirement Policy Committee**

Mr. Steve Heisler advised that the Retirement Policy Committee met before the full Board meeting, and representatives from Segal Marco Advisors presented the South Carolina Defined Contribution Plan (SCDCP) investment report, and the State Optional Retirement Plan (State ORP) investment report for the quarter ending December 30, 2018.

Mr. Heisler also reported that Ms. Nancy Ornduff, from Empower Retirement, presented the fourth quarter plan activity summary.

Mr. Heisler welcomed Ms. Paige Lewis to the Retirement Policy Committee.

It was noted that the next Retirement Policy Committee meeting will be July 24, 2019.

#### **V. Old Business**

##### **Director's Report**

Ms. Peggy Boykin, Executive Director, stated that the House Ways and Means Committee has completed their deliberations of the budget, which will move to the House floor next week. Ms. Boykin reported that the State Health Plan is fully funded (\$49.7 million) in this version of

the budget; however, the additional \$8.6 million requested was not given for the expansion of annual adult well visits at no cost to the member.

Ms. Boykin stated that the House Ways and Means Committee's version of the budget includes \$32.4 million from the General Fund to cover the state's share of the one percent retirement contribution increase that will take effect July 1, 2019.

Ms. Boykin reported that the House Ways and Means Committee's version of the budget also includes funding for pay increases for judges. Ms. Boykin pointed out that retired judges receive a percentage of a sitting judges' salary, which has a significant impact on the Plan. Ms. Boykin added that PEBA's actuary has provided fiscal impact analysis to the General Assembly, and PEBA will continue to provide additional information as needed.

Ms. Boykin advised that the State Auditor's office has selected Funston Advisory Services (Funston), to conduct PEBA's 2019 fiduciary audit within the first two weeks of June. Ms. Boykin stated that Funston has completed the Fiduciary Audit for the South Carolina Retirement Systems Investment Commission (RSIC), and the report has been provided to the General Assembly.

Ms. Boykin stated that the City of Columbia has joined the State Health Plan January 1, 2019, and recognized Ms. Jennifer Dolder, Employer Services Director, and her staff, for their hard work in getting the City of Columbia's 2800 employees and retirees enrolled in the State Health Plan.

Ms. Boykin also noted that the Medical University of South Carolina recently purchased four hospitals, and those employees will join the South Carolina State Retirement System (SCRS) and the State Health Plan in June 2019.

Ms. Boykin stated that the State Vision Plan Request for Bid (RFB) closes on March 15, 2019, and the State Dental Plan and Dental Plus Plan Request for Proposals (RFP) will close on April 15, 2019.

#### **Roundtable Discussion**

Chairman Sowards stated that the president of the South Carolina Senate is now the appointing authority for his seat as well as for Sheriff Leon Lott. Chairman Sowards advised that his current appointment expires June 30, 2019, and Sheriff Lott's appointment expires June 30, 2020.

At the conclusion of the Director's Report, Chairman Sowards provided an opportunity for a roundtable discussion.

#### **VI. Adjournment**

There being no further business, and upon motion by Mr. Heisler, which was seconded by Mr. Audie Penn, and approved unanimously, the Board meeting adjourned at 4:08 p.m.