

Meeting Minutes | Board of Directors

Thursday, August 17, 2017 | 1:00 p.m.
200 Arbor Lake Dr., Columbia, SC 29223 | Second Floor Conference Room

Minutes Approved October 18, 2017

Board Members Present: Mr. Steve Heisler, Mr. Steve Matthews, Mr. Alex Shissias, Chairman John Sowards, and Mr. David Tigges

Board Members Present Via Telephone: Mr. Frank Fusco, Sheriff Leon Lott, Mr. Audie Penn, Vice Chairman Joe “Rocky” Pearce, and Mr. Ed Walton

Others Present for All or a Portion of the Meeting: Peggy Boykin, Kim Brown, Amber Carter, Sarah Corbett, Doug Hislop, Heather Muller, Darry Oliver, Travis Turner, Stephen Van Camp, Justin Werner, and Heather Young from the South Carolina Public Employee Benefit Authority (PEBA); Erin Brown from the South Carolina Office of the State Treasurer; Mary Elizabeth Mullikin from Mullikin Law Firm; and Bill Tomes from Public Management Leadership Development Services, LLC.

I. Call to Order

Chairman John Sowards called the PEBA Board of Director’s (Board) meeting to order at 1:00 p.m., and stated that the public meeting notice was posted in compliance with the Freedom of Information Act.

II. Approval of Meeting Minutes- July 19, 2017

Mr. Steve Heisler noted a correction to the July 19, 2017, meeting minutes, and stated that the last sentence of section 3A should read “the Plan outperformed the policy benchmark **of** 11.32 percent, and total plan returns were 11.63 percent fiscal year-to-date.”

The July 19, 2017, meeting minutes were adopted unanimously as amended.

III. Committee Reports

A. Retirement Policy Committee

Mr. Heisler advised that the Retirement Policy Committee did not meet in August.

B. Health Care Policy Committee

Mr. Rocky Pearce stated that the Health Care Policy Committee did not meet in August.

C. Finance, Administration, Audit and Compliance (FAAC) Committee

Mr. Steve Matthews reported that the FAAC Committee met earlier in the day, and received the 2018-2019 agency budget request for approval. Mr. Matthews stated that there has not

been an increase in basic approved fund authorization since fiscal year 2012, except for an additional \$700,000 that was added in fiscal year 2015, for the fiduciary audit, and when administrative items were transferred to PEBA in 2016, after the Department of Administration was created. Mr. Matthews reported that an additional budget authorization of \$10 million of reoccurring funds for PEBA's IT modernization project was approved in fiscal year 2018, and will remain for approximately five years.

Mr. Matthews reminded the Board that PEBA's operating budget is funded by the insurance and retirement Trust Funds, not from General Funds, and explained that PEBA's General Fund appropriations are not used for PEBA's operating expenses. The General Fund total includes \$118 million of pass through funds paid to PEBA to cover one half of the two percent employer contribution increase.

Mr. Matthews stated that the FAAC Committee made a motion to recommend that the full Board approve the proposed 2018-2019 Agency budget request. Chairman Sowards stated that a Committee motion does not require a second. The motion passed unanimously.

IV. Old Business

Director's Report

Ms. Peggy Boykin, Executive Director, distributed the results of the PEBA Board Self-Assessment that was conducted by Dr. Bill Tomes from Public Management Leadership Development Services, and noted that the results were positive in all categories.

Ms. Boykin reported that staff has prepared a proposed quarterly meeting schedule for the Board to consider, and discussion ensued regarding proposed meeting dates and times. The Board determined that they would meet on Thursdays each quarter at 1:00 p.m., and the Committees will also meet on Thursdays, either monthly or quarterly, as needed.

It was noted that the Board Retreat will be October 18-19, 2017. The regular business meeting will be on the first day, and the second day will be reserved for educational training to meet the Board's educational requirements. Ms. Boykin stated that the Board will consider a preliminary State Health Plan budget proposal at the Retreat.

Ms. Boykin advised that the Joint Committee on Pension Systems Review will meet August 29, 2017. A follow-up hearing with the Chief Procurement Officer is scheduled for August 18, 2017, and a Procurement Review Panel hearing is scheduled for August 31, 2017, regarding the protest of the client services vendor contract.

Ms. Boykin also reported that the 2017 Benefits at Work (BAW) conference will be September 11-13, 2017, at the Columbia Metropolitan Convention Center.

- V. Executive Session to discuss a personnel matter pursuant to S.C. Code Ann. Section 30-4-70(A)(1)**
At 1:28 p.m., Mr. Matthews made a motion, which was seconded by Mr. Heisler, and passed unanimously, to recede into executive session to discuss a personnel matter.

The Committee reconvened in open session at 2:12 p.m. Chairman Sowards announced that no action was taken by the Board while in executive session.

VI. Adjournment

There being no further business, and upon motion by Mr. Fusco, which was seconded by Mr. Heisler, and approved unanimously, the Board meeting adjourned at 2:13 p.m.