



## Meeting Minutes | Board of Directors Meeting

Minutes Approved October 6, 2021

Wednesday, July 28, 2021 | 3:00 p.m.

202 Arbor Lake Dr., Columbia, SC 29223 | First Floor Conference Room | Via Zoom Teleconference

**Board Members Present:** Ms. Amanda Blankenship, Ms. Jennifer Blumenthal, Mr. Calvin Elam, Mr. Steve Heisler, Ms. Paige Lewis, Mr. Steve Matthews, Sherriff Steve Mueller, Vice Chairman Joe “Rocky” Pearce, Chairman John Sowards, and Mr. Ed Walton.

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

**Others Present for All or a Portion of the Meeting:** Bob Avery, Peggy Boykin, Robby Brown, Sarah Corbett, Justin Ellis, James Manning, Mike McDermott, Heather Muller, John Page, Rob Tester, Travis Turner, Stephen Van Camp and Justin Werner from the South Carolina Public Employee Benefit Authority (PEBA); Mike Addy and Melissa Simmons from the South Carolina Office of the State Treasurer; and Sam Griswold from the State Retirees Association of South Carolina.

**Others Present for All or a Portion of the Meeting Via Telephone:** Amber Carter, Jessica Moak, Tammy Nichols, Heather Young, and Angie Warren from the South Carolina Public Employee Benefit Authority (PEBA); and John Gentry from Federated Investment Counseling.

### 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.

### II. Approval of Meeting Minutes- June 23, 2021

It was noted that the June 23, 2021, Board meeting minutes were approved as presented.

### III. OPEB Investment Performance Update

Ms. Melissa Simmons, Director of Banking and Investment Management Division for the South Carolina Office of the State Treasurer, introduced Mr. John Gentry, Senior Vice President and Senior Portfolio Manager for Federated Investment Counseling, who presented an Other Post-Employment Benefits (OPEB) portfolio overview.

Mr. Gentry reviewed a performance summary and portfolio composition for the Retiree Health Insurance Trust Fund and the Long-Term Disability Insurance Trust Fund. Mr. Gentry concluded his presentation by reviewing the US inflation index from 2017-2021, and discussing interest rates and duration.

#### **IV. Strategic Plan Approval**

Chairman Sowards announced that staff presented an update to the 2021-2025 Strategic Plan at the June 23, 2021, Board meeting that should have required a motion for approval.

Mr. Rocky Pearce made a motion, which was seconded by Ms. Paige Lewis, and passed unanimously, that the PEBA Board adopt the 2021-2025 Strategic Plan as presented.

#### **V. Committee Reports**

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

Ms. Jennifer Blumenthal reported that the FAAC Committee met this morning, and elected Ms. Amanda Blankenship to serve as the Committee's Vice-Chairman.

Ms. Blumenthal noted that Ms. Sarah Corbett, Chief Operating Officer, reviewed strategic key measures related to the FAAC Committee, and stated that PEBA's customer satisfaction rate exceeded 98 percent for both the Visitor's Center and Customer Contact Center.

Ms. Blumenthal reported that Mr. Mike Heale, Principal, CEM Benchmarking, presented PEBA's Pension Administration Benchmarking Results for Fiscal Year 2020, and noted that PEBA's cost per member of \$33 was the lowest in all pension administration categories. The peer average was a cost per member of \$85.

Ms. Blumenthal stated that Mr. John Page, Director of Internal Audit, presented internal audit reports related to Actuarial File Creation, Review and Delivery; an internal audit report related to Health Plan Tax Reporting; and the Internal Audit Plan Update.

Ms. Blumenthal advised that the FAAC Committee made a motion to recommend that the full Board accept the proposed fiscal year 2023 agency budget effective July 1, 2022, as presented. Chairman Sowards stated that a Committee motion does not require a second. The motion passed unanimously.

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

Mr. Pearce reported that the Health Care Policy Committee met earlier in the morning, and Mr. Rob Tester, Health Care Policy Director, reviewed the 2022 State Health Plan Approval of Benefits and Contributions.

Mr. Pearce advised that the Health Care Policy Committee made a motion to recommend that the full Board approve the State Health Plan of Benefits and Contributions for Plan year 2022 as presented. Chairman Sowards stated that a Committee motion does not require a second. The motion passed unanimously.

Mr. Pearce stated that the Committee received an update regarding the Medical University of South Carolina (MUSC) Health Plan, which continues to perform positively.

Mr. Pearce advised that the Health Care Policy Committee made a motion to recommend to the PEBA Board that it amend the Plan of Benefits for the MUSC Health Plan to allow an MUHA-affiliated governmental entity created pursuant to Section 59-123-60(E)(13) to elect

to participate in the MUSC Health Plan for its eligible employees. Chairman Sowards stated that a Committee motion does not require a second. The motion passed unanimously.

**C. Retirement Policy Committee**

Ms. Paige Lewis reported that the Retirement Policy Committee met this afternoon, and stated that Mr. Travis Turner, Chief Financial Officer, reviewed strategic key measures related to the Retirement Policy Committee.

Ms. Lewis stated that Segal Marco Advisors presented the South Carolina Defined Contribution Plans report for the quarter ending March 31, 2021, and Empower Retirement presented the first quarter Deferred Compensation plan activity summary to the Committee.

**VI. Old Business**

**Director's Report**

Ms. Peggy Boykin, Executive Director, provided the Director's Report, and stated that the South Carolina Retirement System Investment Commission (RSIC), reported fiscal year ending June 30 2021, returns of 28.6 percent net of fees. This exceptional performance should offset the adverse investment performance from last year, and should mitigate the impact on the unfunded liability of reducing the assumed rate of return from 7.25 percent to 7.00 percent.

Ms. Boykin advised that the PEBA Board Retreat will be November 30, 2021- December 1, 2021, in Wampee, SC. The first day of the retreat will be focused on comprehensive educational programs for Board members, including PEBA's actuaries providing the actuarial valuations, funding of the plan, and plan design proposals.

**VII. Executive Session for Discussion of Personnel and Security Matters Pursuant to S.C. Code of Laws § 30-4-70(a)(1) and (3)**

At 3:30 p.m., Mr. Steve Heisler made a motion, which was seconded by Ms. Blumenthal, and passed unanimously, to recede into executive session to discuss a personnel matter and IT security.

At 5:22 p.m., the meeting reconvened in open session. Chairman Sowards announced that no action was taken by the Board while in executive session.

**VIII. Adjournment**

There being no further business, and upon a motion by Mr. Pearce, which was seconded by Mr. Heisler, and approved unanimously, the Board meeting adjourned at 5:23 p.m.