

**SC PUBLIC EMPLOYEE BENEFIT AUTHORITY
BOARD OF DIRECTORS MEETING**

Wednesday, November 19, 2014 1:00 p.m. Minutes Approved 12.17.14
200 Arbor Lake Drive, Columbia SC, 29201

Board Members Present:

Chairman Art Bjontegard
Vice Chairman Joe "Rocky" Pearce
Mr. Audie Penn
Mr. Frank Fusco
Mr. Steve Heisler
Mr. David Tigges (via telephone)
Sherriff Leon Lott (via telephone)
Mr. John Sowards (via telephone)
Mr. Steve Osborne (via telephone)
Ms. Stacy Kubu (via telephone)
Mr. Steve Matthews (via telephone)

Others present for all or a portion of the meeting:

Peggy Boykin, Dayle Delong, Megan Lightle, Heather Muller, Justice Perkins, Laura Smoak, Stephen Van Camp, and Justin Werner from the South Carolina Public Employee Benefit Authority (PEBA); Wayne Pruitt, Sam Griswold, and Donald Tudor with the State Retirees Association; Joanie Lawson from the South Carolina Education Association; Daniel Brennan from the South Carolina Office of the State Treasurer; Mary Elizabeth Van Horn from Milliken Law Firm; and Katie Brennan from Catamaran.

1. CALL TO ORDER

Chairman Art Bjontegard 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.

2. ADOPTION OF PROPOSED AGENDA

Chairman Bjontegard asked for amendments to the proposed Board meeting agenda. There being none, Mr. Steve Heisler made a motion, which was seconded by Mr. Audie Penn, and passed unanimously, to adopt the agenda as presented.

3. APPROVAL OF MEETING MINUTES – OCTOBER 16, 2014

Chairman Bjontegard asked for a motion to adopt the October 16, 2014, meeting minutes. Mr. Heisler made a motion, which was seconded by Mr. Rocky Pearce, and approved unanimously, to adopt the October 16, 2014, meeting minutes as presented.

4. COMMITTEE REPORTS

A. HEALTH CARE POLICY COMMITTEE

Mr. Pearce reported that the Health Care Policy Committee met earlier in the morning, and discussed Staff Action Plans for the strategic goals related to the Health Care Policy

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Committee. Mr. Pearce stated that no action was taken, and the Committee will be receiving revised Staff Action Plans based on the Committee suggestions in the near future.

B. RETIREMENT POLICY COMMITTEE

Mr. Steve Osborne reported that the Retirement Policy Committee met on November 5, 2014, and a large portion of the meeting was in executive session. Mr. Osborne stated that in October, the Committee reviewed Summit Strategies Group preferred line-up presentation, additional best practices recommendations, and a summary of the audited financial statements.

FINANCE, ADMINISTRATION, AUDIT AND COMPLIANCE (FAAC) COMMITTEE

Mr. Steve Matthews reported that the FAAC Committee did not meet in November, and the next FAAC Committee meeting will be December 3, 2014.

5. OLD BUSINESS/DIRECTOR'S REPORT

Ms. Peggy Boykin, PEBA's Executive Director, stated that several confidential Board documents will be posted to Director's Desk in the near future, and Board members will be notified by email when these documents are posted.

Ms. Boykin reported that staff held an offsite facilitated strategic planning work session to develop action items related to the Strategic Plan that the Board adopted in 2013. Ms. Boykin advised that staff will be working with each Committee to review and revise applicable action items, with the expectation that a comprehensive Strategic Plan would be presented to the Board at the December 17, 2014, quarterly Board meeting.

Ms. Boykin advised that staff will be planning a Board retreat in the early spring, and will provide available dates for the retreat in the next few weeks. Ms. Boykin stated that the Board may wish to review the comprehensive Strategic Plan at the retreat, with the expectation that a performance report based on the updated Strategic Plan will be available at the March 18, 2015, quarterly Board meeting.

Ms. Boykin reported that a rough draft of the Funston Fiduciary Audit should be available for the Board to review by mid-December, with a final draft available by mid-January 2015. Ms. Boykin reminded the Board that the Funston Fiduciary Audit is due to the General Assembly by January 30, 2015, and afterwards, Funston Advisory Services will review the audit in detail with the Board.

Chairman Bjontegard stated that he and Ms. Boykin met with the Governor's Budget Staff and reviewed PEBA's fiscal year 2016 agency budget.

Ms. Boykin reported that on November 10, 2014, staff provided an orientation for the House Way and Means Committee to better acquaint their staff on PEBA's budget proposals, and organizational functions and processes.

Ms. Boykin also stated that the South Carolina Retirement System's audited financial statements will be released on November 20, 2014.

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

6. EXECUTIVE SESSION

At 1:15 p.m., Mr. Heisler made a motion, which was seconded by Mr. Osborne, and passed unanimously, to recede into executive session to discuss legal matters pursuant to S.C. Code Ann. § 30-4-70.

The Board reconvened in open session at 1:25 p.m. Chairman Bjontegard announced that no action was taken by the Board while in executive session.

7. 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 1:25 p.m.