

SC PUBLIC EMPLOYEE BENEFIT AUTHORITY BOARD OF DIRECTORS

Retirement Policy Committee Meeting Minutes {Approved 4/30/14}

202 Arbor Lake Drive, Columbia SC, Main Conference Room 2nd Floor

March 5, 2014, 9:30 A.M.

Ad Hoc Committee Members Present:

Mr. John Sowards, Chairman (in person)
Mr. David Tigges (in person)
Mr. Frank Fusco (in person)
Mr. Art Bjontegard (in person)

Others present for all or a portion of the meeting:

Travis Turner, Lil Hayes, Stephen Van Camp, Justin Werner, Matt Davis, Tiffany Latimer & Virginia Wetzel from the South Carolina Public Employee Benefit Authority (PEBA); Donald Tudor with the SC State Retirees Association; Nancy Ornduff and Amy Heyel, Lisa Tilley (by phone) with Great-West Retirement Services; Tim Bryan and Joe Mack with Prudential; and Rose Guillette and Bob Liberto with Segal RogersCasey (by phone).

AGENDA

1. CALL TO ORDER; ADOPTION OF PROPOSED AGENDA

Mr. Sowards called the meeting to order at 9:30 a.m. Ms. Hayes confirmed meeting notice compliance with the Freedom of Information Act. Mr. Sowards provided the invocation. Mr. Fusco moved to adopt the proposed agenda. Mr. Sowards noted the motion was adopted by acclamation.

2. Approval of Meeting Minutes- February 5, 2014

Mr. Sowards asked for amendments to the February 5, 2014 committee minutes. There being none, Mr. Sowards asked for a motion to approve the minutes. Mr. Tigges moved to approve the minutes. Mr. Sowards noted the motion was adopted by acclamation.

3. SC ORP Quarterly Report [in notebook materials]

Matt Davis presented South Carolina Optional Retirement Program's Fourth Quarter 2013 Performance Summary. The Committee received this as information.

4. SC Deferred Compensation – Record Keeper Quarterly Report [in notebook materials]

Mr. Sowards referred to Amy Heyel and Nancy Ornduff to present Great West's Fourth Quarter 2013 performance report. Ms. Heyel highlighted Great West's Retire Bright Program designed to educate and engage participants on retirement readiness and multiple fiduciary support webinar series available to all plan sponsors. Mr. Sowards indicated the importance of a harmonious effort between PEBA and Great West in promoting the Retire Bright Program as retirement readiness is a top priority of the Board and PEBA agency.

Ms. Ornduff provided a brief history of the South Carolina Deferred Compensation Program and Great West's affiliation as record keeper of the plan. She then reviewed the Fourth Quarter 2013 Plan Summary. The Committee directed PEBA legal counsel to provide the legal parameters surrounding the sharing of participant information between Great West and PEBA.

The Committee received this report as information.

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5. **SC Deferred Compensation – Best Practices continued**

Mr. Sowards referred to Rose Guillette with Segal RogersCasey to continue her presentation from the February committee meeting of best practice recommendations for the SC Deferred Compensation Program.

There was discussion regarding the SEC mandates surrounding fee disclosure to participants.

Mr. Sowards decided to discontinue Segal's presentation due to technical difficulties with the teleconference system. Mr. Bjontegard noted this was not the first meeting where audio technical difficulties have occurred and would like for PEBA staff to make the corrections a top priority.

6. **Old Business**

2014 PEBA Board Retreat Follow-up:

Justin Werner, PEBA Counsel, provided a brief legislative update of on the activity of Senate Bills S.952, S.954, S.962, and House H.1008.

Mr. Sowards requested a legislative update as a standing committee item at every Retirement Policy Committee meeting.

Mr. Bjontegard advised that the FAAC Committee has taken ownership of the following items discussed at the PEBA Board Retreat: development of a bonus recognition program; development of a more robust legislative monitoring system to incorporate Board member interaction; and scheduling a follow-up visit with Baldrige Consultant, David McClaskey, to work with each subcommittee in developing defined objectives.

Mr. Sowards requested an urgent follow-up from PEBA's legal department defining the lobbying parameters between Board Members and PEBA Staff with legislators and legislative staff.

Ms. Hayes advised that updates on all legislation involving PEBA will be provided at all Committee and Board meetings.

Mr. Sowards would like the Committee to continue reviewing both CEM Benchmarking and the implementation of GASB 68 at a future date.

SC Deferred Compensation Program: Best Practices Recommendations

The Committee directed PEBA Staff to review all best practice recommendations offered by PEBA's fiduciary, Segal RogersCasey, and list in prioritized order the recommendations that they suggest should be implemented. In doing so, PEBA staff should interface with the record keeper.

7. **New Business**

The Committee discussed PEBA's relations with Retirement System Investment Commission (RSIC). The Committee discussed the possibility of strengthening PEBA's administrative relations with RSIC in order to legally create standing authority for both entities to make joint decisions on

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the investment obligations of the Retirement Trust Fund. There was also general discussion regarding the resolution of custodial arrangements.

8. Executive Session to Discuss Pursuant to S.C. Code of Laws §30-4-70 (a)(2)

At 11:17 a.m., upon a motion by Mr. Tigges and seconded by Mr. Fusco, the Committee voted unanimously to enter into executive session pursuant to S.C. Code of Law 30-4-70 (a) (2). Open meeting resumed at 11:40 a.m. No action was taken by the Committee while in Executive Session.

9. Adjournment

There being nothing further to discuss, Mr. Sowards requested a motion to adjourn. Mr. Tigges moved to adjourn and Mr. Sowards noted the motion was adopted by acclamation. The committee adjourned at 11:41 a.m.