

Meeting Minutes | Board of Directors

Thursday, October 20, 2016 | 1:00 p.m.
200 Arbor Lake Dr., Columbia, SC 29223 | Second Floor Conference Room

Minutes Approved December 1, 2016

Board Members Present: Mr. Steve Heisler, Vice Chairman Joe “Rocky” Pearce, Mr. Audie Penn, Mr. Steve Matthews, and Mr. David Tigges

Board Members Present via Telephone: Mr. Frank Fusco

Board Members Absent: Sheriff Leon Lott, Mr. Steve Osborne, and Chairman John Sowards

Others Present for All or a Portion of the Meeting: Peggy Boykin, Amber Carter, Sarah Corbett, Jennifer Ford, Doug Hislop, Megan Lightle, James Manning, Heather Muller, Tammy Nichols, Darry Oliver, Travis Turner, Stephen Van Camp, and Justin Werner from the South Carolina Public Employee Benefit Authority (PEBA); Laura Dorn from the South Carolina Office of the State Treasurer; Carlton Washington from the South Carolina State Employees Association; Joanie Lawson from the South Carolina Education Association; Wayne Bell and Wayne Pruitt from the State Retirees Association of South Carolina; and Will Kinney from Milliken Law Firm.

I. Call to Order

Vice-Chairman Rocky Pearce 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. Adoption of Proposed Agenda

Mr. Steve Heisler made a motion, which was seconded by Mr. Audie Penn, and approved unanimously, to adopt the proposed Board meeting agenda.

III. Approval of Meeting Minutes- September 15, 2016

Mr. Steve Matthews made a motion, which was seconded by Mr. Heisler, and approved unanimously, to approve the September 15, 2016, Board meeting minutes.

IV. Committee Reports

A. Health Care Policy Committee

Mr. Heisler reported that the Health Care Policy Committee met earlier in the day, and received a presentation from ActiveHealth Management regarding an overview of the

evidence-based medicine alerts program that has been in place with the State Health Plan (SHP) since 2006.

Mr. Heisler stated that Mr. Shawn Davis from Express Scripts, Inc., discussed the National Preferred Formulary that will become effective in the State Health Plan January 1, 2017.

Mr. Heisler advised that Ms. Laura Smoak, Analytics and Health Initiatives Director, presented the annual adult well exam that is proposed for the State Health Plan for 2018, and reviewed the cost impact of the well exams based on several different scenarios. Mr. Heisler added that the Committee has asked to review additional cost scenarios.

Mr. Heisler reported that Ms. Sarah Corbett, Chief Operating Officer, reviewed the PEBA Board Strategic Plan-Staff Action Plans related to the Health Care Policy Committee, and provided an update to the 2016-2018 Business Plan.

Mr. Heisler advised that the next Committee meeting will be on November 9, 2016, at 10:00 a.m. to approve the 2018 State Health Plan budget.

B. Retirement Policy Committee

Mr. David Tigges reported that the Retirement Policy Committee met on October 19, 2016, and made a motion for the Board to approve the nominations of Mr. Scott Slatton, Captain Robert G. Woods, IV, Mr. Walter G. Woodrum, III, and Ms. Rebecca Rochester to the Retirement/Pre-Retirement Advisory Panel.

Vice-Chairman Pearce stated that a Committee motion does not require a second. The motion passed unanimously.

Mr. Tigges stated that Ms. Corbett, reviewed the PEBA Board Strategic Plan-Staff Action Plans related to the Retirement Policy Committee, and provided an update to the 2016-2018 Business Plan. Mr. Tigges noted that the Business Plan will be presented for approval at the Board Retreat on November 30, 2016.

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

Mr. Steve Matthews advised that the FAAC Committee received PEBA internal audit reports including:

- A. Retirement Claim Reviews
- B. Insurance Claim Reviews
- C. Investment Account Reviews
- D. Internal Audit of Check Receipts and Deposits
- E. Internal Audit Plan Status Report

Ms. Corbett reviewed the PEBA Board Strategic Plan-Staff Action Plans related to the FAAC Committee, and provided an update to Goal Four of the 2016-2018 Business Plan associated with responsibly managing risk to the organization.

V. Old Business

A. Director's Report

Ms. Peggy Boykin, Executive Director, stated that the 2017-2018 Budget Hearing at the Governor's office will be October 27, 2016, and will include discussions related to the funding of the State Health Plan, prospective contribution rate increases for the retirement plans, and funding request associated with the Operational Assessment.

Ms. Boykin advised that the Board Retreat will be November 30 - December 1, 2016, and the Board will consider the revised 2016-2018 Business Plan for approval at the retreat. In addition, the 2016 Actuarial Valuations will also be presented for approval.

Ms. Boykin stated that a Request for Proposal (RFP) has been issued for an actuarial audit which is expected to begin in January 2017.

Ms. Boykin informed the Board that a Request for Proposal (RFP) has been issued for a Client Services Vendor who will assist PEBA in developing an RFP for an Implementation Vendor related to the Operational Assessment.

Ms. Boykin reported that the Joint Committee on Pension Systems Review will meet October 25-26, 2016.

B. Roundtable Discussion

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

VI. Executive Session to receive legal advice pursuant to S.C. Code Ann. Section 30-4-70(A)(2)

At 1:15 p.m., Mr. Matthews made a motion, which was seconded by Mr. Heisler, and passed unanimously, to recede into executive session for the purpose of receiving legal advice.

The Committee reconvened in open session at 2:05 p.m. Vice-Chairman Pearce announced that no action was taken by the Board while in executive session.

VII. Adjournment

There being no further business, and upon motion by Mr. Frank Fusco which was seconded by Mr. Penn, and approved unanimously, the Board meeting adjourned at 2:06 p.m.