

Meeting Minutes | Board of Directors

Thursday, May 18, 2017 | 1:00 p.m.

200 Arbor Lake Dr., Columbia, SC 29223 | Second Floor Conference Room

Minutes approved June 15, 2017

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

Board Members Present via Telephone: Sheriff Leon Lott, Mr. Steve Matthews, and Mr. Ed Walton

Others Present for All or a Portion of the Meeting: Peggy Boykin, Amber Carter, Sarah Corbett, Megan Lightle, Heather Muller, Darry Oliver, Travis Turner, Stephen Van Camp, and Justin Werner from the South Carolina Public Employee Benefit Authority (PEBA); Brooks Goodman from Blue Cross Blue Shield of South Carolina; Sam Griswold from the State Retirees Association of South Carolina; Ned Freer from Voya Financial; Terrall Robertson from Strategic Wealth Advisory Group, LLC.; Emma Jordan from the South Carolina Office of the State Treasurer; and Will Kinney from Milliken Law Firm.

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. Adoption of Proposed Agenda

It was noted that the proposed Board meeting agenda was adopted unanimously as presented.

III. Approval of Meeting Minutes- April 20, 2017

It was noted that the April 20, 2017, meeting minutes were adopted unanimously as presented.

IV. Committee Reports

A. Retirement Policy Committee

Mr. David Tigges stated that the Retirement Policy Committee did not meet in May.

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

Mr. Steve Matthews advised that the FAAC Committee did not meet in May.

C. Health Care Policy Committee

Mr. Rocky Pearce reported that the Health Care Policy Committee met earlier in the day and received a report from BlueCross BlueShield of South Carolina regarding the State Health

Plan's population management initiatives. Mr. Pearce commended staff on their efforts to engage members and promote healthier outcomes.

V. Old Business

A. Director's Report

Ms. Peggy Boykin, Executive Director, stated that the Governor signed the Pension Reform Bill which will become effective July 1, 2017. Ms. Boykin reminded the Board that the South Carolina Retirement System (SCRS) employee contribution rate will increase to 9.0 percent, and the Police Officers Retirement System (PORS) employee contribution rate will increase to 9.75 percent.

Ms. Boykin advised that budget deliberations are still continuing, but both the House and Senate versions includes approximately \$25 million for full funding of the State Health Plan (excluding adult well visits), with no employee premium increase, and no changes in co-payments or deductibles. Both versions of the budget also includes \$10 million as requested for implementation of the Operational Assessment. Ms. Boykin reported that the House and Senate versions of the budget differ in the funding for retirement contributions. For state agencies and school districts, the House version of the budget intends for the general fund to cover approximately \$34 million of the first one percent of the increase in employer contribution rates, and the entire second one percent (approximately \$118 million) of the increase in employer contribution rates for all employers regardless of source of funds. Ms. Boykin added that the Senate version of the budget covers the normal share of the first one percent, and the second one percent would be funded through the local government employee benefits pool, and money derived from federal and other funds.

Ms. Boykin reported that as of last week, fiscal year-to-date investment returns are approximately 10 percent.

B. Roundtable Discussion

At the conclusion of the Director's Report, Chairman Sowards provided an opportunity for a roundtable discussion. Mr. Tigges complimented Ms. Boykin on her tremendous efforts in getting the Retirement Reform passed. Chairman Sowards echoed Mr. Tigges' remarks and thanked Ms. Boykin for her professionalism and dedication to PEBA. Ms. Boykin thanked Chairman Sowards and Mr. Tigges for their remarks, and also thanked and acknowledged PEBA staff for their hard work and accomplishments.

VI. Executive Session for the Purpose of Discussing Contractual Matters pursuant to S.C. Code Ann. Section 30-4-70(A)(2)

At 1:20 p.m., Mr. Tigges made a motion, which was seconded by Mr. Audie Penn, and passed unanimously, to recede into executive session for the purpose of receiving legal advice.

The Committee reconvened in open session at 1:39 p.m. Chairman Sowards 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. Tigges, and approved unanimously, the Board meeting adjourned at 1:40 p.m.