

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

Thursday, October 16, 2014 1:00 p.m. Minutes Approved 11.19.14
200 Arbor Lake Drive, Columbia SC, 29201

Board Members Present:

Chairman Art Bjontegard
Mr. Audie Penn
Mr. Frank Fusco
Mr. David Tigges
Mr. Steve Heisler
Mr. John Sowards (via telephone)
Mr. Steve Osborne (via telephone)
Ms. Stacy Kubu (via telephone)
Mr. Steve Matthews (via telephone)

Board Members Absent:

Vice Chairman Joe "Rocky" Pearce
Sherriff Leon Lott

Others present for all or a portion of the meeting:

Peggy Boykin, Sarah Corbett, Matthew Davis, Dayle DeLong, Tammy Nichols, Megan Lightle, Heather Muller, Justice Perkins, Laura Smoak, Stephen Van Camp, and Justin Werner from the South Carolina Public Employee Benefit Authority (PEBA); Donald Tudor with the State Retirees Association; Daniel Brennan from the South Carolina Office of the State Treasurer; Brooks Goodman with Blue Cross Blue Shield of South Carolina; Thompson Kinney 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. David Tigges, and passed unanimously, to adopt the amended agenda as presented.

3. APPROVAL OF MEETING MINUTES – SEPTEMBER 10, 2014

Chairman Bjontegard asked for a motion to adopt the September 10, 2014, meeting minutes. Mr. Frank Fusco made a motion, which was seconded by Mr. Heisler, and approved unanimously, to adopt the September 10, 2014, meeting minutes as presented.

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4. COMMITTEE REPORTS

A. HEALTH CARE POLICY COMMITTEE

Mr. Heisler reported that the Health Care Policy Committee met earlier in the morning, and discussed the bariatric surgery pilot analysis; received a presentation by the Ansley Capital Group on Transformational Models of Healthcare; and an update from the Wellness Research Strategy Team. Mr. Heisler stated that the Health Care Policy Committee also received as information a three-year State Health Plan general fund projection as required by Act 156, and the abortion funding report as required by Proviso 105.4. Mr. Heisler stated that no action was taken during the Health Care Policy Committee meeting.

Mr. Heisler also advised that Ms. Peggy Boykin, PEBA's Executive Director, provided the Director's Report, and stated that a number of PEBA Board members and staff attended the Governor's Quality Award Conference on October 15, 2014. Ms. Boykin announced that PEBA received the 2014 Explorer Achiever Award, and the award presentation will be available on PEBA's intranet for all employees to view. Mr. Heisler expressed his appreciation to PEBA staff for their preparation and hard work.

B. RETIREMENT POLICY COMMITTEE

Mr. John Sowards reported that the Retirement Policy Committee met on October 1, 2014, and will meet again on November 5, 2014, to further review Summit Strategy's preferred line-up presentation, additional best practices recommendations, and a summary of the audited financial statements. Mr. Sowards stated that the Retirement Policy Committee will be receiving actuarial reports at the December 3, 2014, meeting, and is near completion of the report on the settlement between the State of South Carolina and the Bank of New York Mellon (BONY), which is due by December 1, 2014, as required by Proviso 105.13. Mr. Sowards advised that he expects the draft report to be available by November 1, 2014, for the Board's review.

FINANCE, ADMINISTRATION, AUDIT AND COMPLIANCE (FAAC) COMMITTEE

Mr. Steve Matthews reported that the FAAC Committee met on October 8, 2014; discussed revisions to the PEBA Board Continuing Education Policy, and created a PEBA Board Attendance Policy, both of which will be available for the Board's review and approval at the December 17, 2014, Board meeting.

5. OLD BUSINESS/DIRECTOR'S REPORT

Chairman Bjontegard noted that Mr. Fusco and Mr. Matthews did an excellent job in representing PEBA at the Governor's Quality Award Conference. Ms. Boykin echoed Chairman Bjontegard's comments, and expressed her appreciation to Mr. Fusco, Mr. Matthews, and staff, as they continue to evaluate the feedback report, and work to further enhance PEBA's quality development.

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Ms. Boykin reported that the financial statements should be completed early next week, and PEBA will be providing a fiscal year 2016 budget overview presentation to the Governor's office on Friday, October 17, 2014.

Ms. Boykin updated the Board on current staffing issues, and stated that of the 26 vacant full-time equivalent (FTE's) positions that were previously open, 15 FTE positions have been filled, and 11 FTE positions are still vacant. Ms. Boykin stated that she is working diligently to best utilize the available positions. Ms. Boykin advised that an organizational structure chart should be available at the December 17, 2014, quarterly Board meeting.

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

6. EXECUTIVE SESSION

At 1:18 p.m., Mr. Heisler made a motion, which was seconded by Mr. Penn, 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 1:27 p.m.